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BEFORE THE
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

IN THE MATTER OF THE:)
)
REGULAR MONTHLY BUSINESS)
MEETING)
_____)

DATE AND TIME: WEDNESDAY, OCTOBER 1, 1997
9:30 A.M.

PLACE: BOARD HEARING ROOM
8800 CAL CENTER DRIVE
SACRAMENTO, CALIFORNIA

REPORTER: BETH C. DRAIN, RPR, CSR
CERTIFICATE NO. 7152

BRS FILE NO.: 41673

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APPEARANCES

MR. DANIEL G. PENNINGTON, CHAIRMAN
MR. ROBERT C. FRAZEE, VICE CHAIRMAN (NOT PRESENT)
MR. WESLEY CHESBRO, MEMBER
MS. JANET GOTCH, MEMBER (NOT PRESENT)
MR. STEVEN R. JONES, MEMBER
MR. PAUL RELIS, MEMBER

STAFF PRESENT

MR. RALPH CHANDLER, CHIEF EXECUTIVE OFFICER
MR. KEITH SMITH, DEPUTY EXECUTIVE OFFICER MS. KATHRYN
TOBIAS, CHIEF LEGAL COUNSEL MS. MARLENE KELLY, BOARD
SECRETARY

MS. PATTI BERTRAM, ADMINISTRATIVE ASSISTANT

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1 SACRAMENTO, CALIFORNIA

2 WEDNESDAY, OCTOBER 1, 1997

3 9:30 A.M.

4

5 CHAIRMAN PENNINGTON: GOOD MORNING.

6 WELCOME TO THE SECOND DAY OF THE CALIFORNIA

7 INTEGRATED WASTE MANAGEMENT BOARD MEETING. WILL

8 THE SECRETARY CALL THE ROLL, PLEASE.

9 THE SECRETARY: BOARD MEMBER CHESBRO.

10 BOARD MEMBER CHESBRO: HERE.

11 THE SECRETARY: FRAZEE. ABSENT. GOTCH.

12 ABSENT. JONES.

13 BOARD MEMBER JONES: HERE.

14 THE SECRETARY: RELIS.

15 BOARD MEMBER RELIS: HERE.

16 THE SECRETARY: CHAIRMAN PENNINGTON.

17 CHAIRMAN PENNINGTON: HERE. QUORUM IS

18 PRESENT.

19 DO ANY OF THE BOARD MEMBERS HAVE ANY

20 EX PARTES FOR THIS MORNING?

21 BOARD MEMBER RELIS: I DON'T THINK THERE'S

22 ANYONE LOBBYING US ON THIS ISSUE.

23 CHAIRMAN PENNINGTON: WHILE I DON'T EXPECT

24 ANY SPEAKERS OTHER THAN THE LINE-UP WE HAVE HERE

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25 THIS MORNING, THERE ARE SPEAKER REQUEST FORMS IN
4

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1 THE BACK; AND IF YOU WANT TO SPEAK, YOU WILL NEED
2 TO FILL ONE OUT AND GIVE IT TO MS. KELLY, WHO WILL
3 GET IT TO US.

4 WE PICK UP FROM YESTERDAY ON ITEM 39,
5 INFORMATION ON AND DISCUSSION OF THE BOARD'S
6 STRATEGIC GOAL PROGRAM EVALUATION. MR. CHANDLER.

7 MR. CHANDLER: THANK YOU, MR. CHAIRMAN;
8 GOOD MORNING, MEMBERS. FIRST OF ALL, I THINK WE'RE
9 ALL A LITTLE TOO FORMAL THIS MORNING. IT SEEMS TO
10 ME WHEN WE DID THIS DOWN IN SAN BERNARDINO, I THINK
11 BOB'S SUGGESTION THAT ON THE SECOND DAY WHEN WE GET
12 TOGETHER, WE ALL TAKE OUR TIES OFF. WHERE IS BOB
13 WHEN YOU NEED HIM?

14 I THINK WE HAVE A PRETTY GOOD SHOW,
15 IF YOU WILL, FOR YOU THIS MORNING. KEITH AND I ARE
16 GOING TO BE THE LEAD VOCALS ACCOMPANIED BY THE REST
17 OF THE EXECUTIVE STAFF HERE, AND ON KEYBOARDS WILL
18 BE DOUG RALSTON. I THINK -- SERIOUSLY, I WOULD
19 LIKE AND HOPE THAT WE AS AN ORGANIZATION --

20 CHAIRMAN PENNINGTON: I WANT TO WATCH
21 WHO'S GOING TO TAP DANCE THOUGH.

22 MR. CHANDLER: THAT'S YOUR ROLE.

23 BUT SERIOUSLY, I WOULD HOPE THAT WE
24 CAN, AS THE LEADERSHIP OF THIS ORGANIZATION, THAT

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25 WE CAN MAKE A COMMITMENT PERHAPS TO DO THIS MORE

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1 THAN JUST ONCE A YEAR, BUT ON OCCASION WHERE WE SIT
2 DOWN AND WE REEVALUATE, IF YOU WILL, ORGANIZA-
3 TIONALLY WITH SOME OF OUR STRATEGIC OBJECTIVES.
4 AND I THINK WE'VE GOT A GOOD DOCUMENT IN THE
5 STRATEGIC PLAN TO HELP PROVIDE SOME FRAMEWORK, AND
6 THAT'S WHAT WE'RE GOING TO FOCUS ON TODAY IS GIVING
7 YOU ALL AN UPDATE ON JUST WHERE WE ARE IN STARTING
8 TO TURN THE STRATEGIC PLAN NOT JUST INTO A SHELF
9 DOCUMENT LIKE THEY OFTENTIMES ARE, BUT INTO A
10 DOCUMENT THAT ACTUALLY FORMS THE FOUNDATION FOR THE
11 BOARD TO FOCUS ITS RESOURCES AND OBJECTIVES MOST
12 SPECIFICALLY.

13 I'LL BE DOING THAT IN JUST A SECOND,
14 BUT I THOUGHT IT WAS NOTEWORTHY, AS I LOOKED AT MY
15 IN-BASKET THIS MORNING AND I WAS REMINDED OF THE
16 ARTICLE THAT I SENT YOU A WHILE BACK, "GRADE A
17 BOARDS: ANTICIPATION, ADVOCACY, AUTONOMY,
18 ACCOUNTABILITY, ADVICE, AND ASSISTANCE." AND I
19 WON'T GO THROUGH THOSE ALL, BUT I THINK IT'S
20 NOTEWORTHY TO AT LEAST POINT OUT THAT THE FIRST
21 ONE, ANTICIPATION, SAYS THAT THE ROLE OF THE BOARD
22 IS TO LOOK INTO THE FUTURE, CREATE A SHARED VISION,
23 AND ENSURE THAT FUTURE ORIENTATION OR DIRECTION OR

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24 FOCUS FOR AN ORGANIZATION, AND THEN HOLD THE
25 MANAGEMENT ACCOUNTABLE FOR SHOWING PROGRESS AGAINST

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1 THAT FUTURE DIRECTION AND FOCUS.

2 AND SO I THINK TODAY AND I HOPE TODAY
3 CAN BE A FORUM WHERE WE CAN, IN A RELAXED SETTING,
4 IF YOU WILL, BUT GET A GOOD DIALOGUE GOING ON WHAT
5 WE'RE ABOUT TO PRESENT RELATIVE TO REALLY GOAL 1,
6 THE EVALUATION OF OUR EFFORTS SO FAR TO BEGIN
7 IMPLEMENTING THE STRATEGIC PLAN.

8 SO WITH THAT, LET ME JUST MOVE INTO
9 MY INTRODUCTORY REMARKS, AND THEN WE'LL GO THROUGH
10 SOME SLIDES WE HAVE PREPARED FOR YOU. FIRST OF
11 ALL, AS I INDICATED, WE DID FORMALLY ADOPT THE
12 STRATEGIC PLAN IN JUNE OF JUST THIS YEAR IN
13 PASADENA. AND AS YOU KNOW, WE FORMED A WORK GROUP
14 TO DETERMINE THE FIRST PHASE OF IMPLEMENTATION
15 AROUND GOAL 1.

16 THE PURPOSE OF THIS ITEM IS TO REPORT
17 TO YOU ON THE RESULTS OF OUR WORK SPECIFICALLY ON
18 GOAL 1. OUR PRESENTATION TODAY WILL COVER A
19 DESCRIPTION OF THE BOARD'S CURRENT STATE. I THINK
20 IT'S IMPORTANT THAT BEFORE WE TALK ABOUT WHERE WE
21 WANT TO BE IN FUTURE STATE, WE OUGHT TO ALL BE WELL
22 GROUNDED AND CLEAR ON WHAT IS THE CURRENT STATE OF
23 THE ORGANIZATION AS IT RELATES TO ITS RESOURCES,

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24 ITS ALLOCATION OF FUNDING, ETC. SO WE'RE GOING TO
25 DO AN OVERVIEW OF OUR RESOURCE ALLOCATION AS THE

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1 SUPPORT OF THE STRATEGIC PLAN AND THEN SOME
2 FINDINGS THAT THE EXECUTIVE STAFF HERE FEEL ARE
3 APPROPRIATE AS IT RELATES TO OUR CURRENT STATE.

4 WE WILL THEN MOVE INTO THE IMPLEMEN-
5 TATION TOWARDS THE FUTURE, AND THIS WILL INCLUDE A
6 DISCUSSION OF AN ORGANIZATIONAL MODEL AND SOME
7 RECOMMENDATIONS FROM THE EXECUTIVE STAFF ON A FEW
8 AREAS OF PRIORITY FOCUS.

9 THE OUTCOME I WOULD LIKE TO SPEAK TO
10 THAT I DESIRE TODAY IS TO REALLY, AS I SAID
11 EARLIER, ENGAGE THE BOARD IN A DIALOGUE WITH THE
12 MANAGEMENT TEAM ON THE DIRECTION REGARDING NOT ONLY
13 OUR PRIORITY AREAS, BUT THE DIRECTION THAT WE WISH
14 TO PURSUE AS AN ORGANIZATION TOGETHER IN
15 IMPLEMENTING THE PRIORITY AREAS AND A DISCUSSION
16 AROUND THE MODEL THAT WE'RE PROPOSING.

17 SO LET'S TAKE A LOOK SPECIFICALLY AT
18 GOAL 1. I CAN RECALL WHEN WE WERE DEVELOPING THE
19 STRATEGIC PLAN THAT WE HAD ESTABLISHED GOALS AROUND
20 DIVERSION, SUSTAINABLE MARKETS, CUSTOMER SERVICE,
21 AND IT WAS REALLY, I THINK, THE EXCHANGE WITH BOARD
22 MEMBERS, SPECIFICALLY YOUR INPUT, THAT SAID, "WELL,
23 LET'S NOT FORGET THE OVERARCHING GOAL OF SUPPORTING

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24 THE INTEGRATED WASTE MANAGEMENT ACT, SPECIFICALLY
25 AS IT'S BEEN AMENDED, AND THE WASTE MANAGEMENT

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1 HIERARCHY, THE MANDATES, OBJECTIVES THAT THE LAW
2 CREATED.

3 I THINK IN ADOPTING THIS GOAL, IT WAS
4 TO REAFFIRM SUPPORT NOT ONLY IN THE INTEGRATED
5 WASTE MANAGEMENT ACT, BUT THE HIERARCHY IN
6 PARTICULAR. WE ALL RECOGNIZE THAT THERE'S BEEN
7 HISTORICAL COMPETITION BETWEEN THE AREAS WITHIN THE
8 HIERARCHY AND BETWEEN DUAL MANDATES OF THAT BEING
9 DIVERTING WASTE FROM THE WASTESTREAM TO SUSTAINABLE
10 MARKETS WHILE REGULATING THE FACILITIES, PROTECTING
11 PUBLIC HEALTH AND SAFETY. AND I BELIEVE IT WAS THE
12 BOARD'S INTENTION IN GOAL 1 TO HAVE STAFF PERFORM
13 AN ANALYSIS THAT WOULD IDENTIFY THE MOST EFFECTIVE
14 APPROACHES TO MEETING OUR DUAL MANDATES. AND THE
15 BOARD COMMUNICATED ITS INTENTIONS THROUGH THE
16 OBJECTIVES AND STRATEGIES OF GOAL 1.

17 IN OTHER WORDS, TO JUSTIFY THEIR
18 EXISTENCE, WE WERE TO EVALUATE ALL CURRENT AND
19 PROPOSED BOARD PROGRAMS AND ACTIVITIES IN RELATION
20 TO THE ACHIEVEMENT OF THIS GOAL AND TO REVIEW IT
21 ANNUALLY THEREAFTER. WE WERE TO ESTABLISH CRITERIA
22 FOR EVALUATING ALL EXISTING AND PROPOSED BOARD
23 PROGRAMS, AND THEN SPECIFICALLY A STRATEGY TO DO

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24 THAT. BASED ON THE EVALUATION OF THOSE PROGRAMS ,
25 WE WOULD IMPLEMENT ONE OF THE FOLLOWING ACTIONS FOR

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1 EACH PROGRAM: EITHER ELIMINATE OR SET A PROPOSED
2 DATE FOR SUNSET; RETAIN, EXPAND, REFOCUS, OR
3 TRANSFER THE FUNCTION EITHER INTERNALLY OR
4 EXTERNALLY EITHER TO THE PUBLIC SECTOR, STATE OR
5 LOCAL, OR THE PRIVATE SECTOR.

6 SO IN ORDER TO DO THIS, WE FORMED A
7 CROSS FUNCTIONAL TEAM LED BY CHIEF COUNSEL TOBIAS
8 INVOLVING ALL LEVELS OF STAFF FORMED TO DETERMINE
9 HOW TO IMPLEMENT THIS EVALUATION THAT WAS REQUIRED
10 IN THE GOALS, OBJECTIVES, AND THE STRATEGY I'VE
11 JUST SPOKEN TO.

12 THE TEAM RECOMMENDED THAT STAFF
13 COMPLETE A PROGRAM SURVEY, WHICH IS INCLUDED IN
14 YOUR AGENDA ITEM AS ATTACHMENT C. AFTER STAFF
15 COMPLETED THE SURVEY, THE EXECUTIVE STAFF USED THE
16 INFORMATION TO CREATE THE SUMMARY MATRICES FOUND IN
17 ATTACHMENT A OF YOUR ITEM. COMBINATION OF THE
18 EVALUATION AND THE MATRICES PROVIDED US WITH THE
19 INFORMATION THAT BEGINS TO DEFINE OUR CURRENT STATE
20 FROM BOTH A RESOURCE AND A PERFORMANCE PERSPEC-
21 TIVE.

22 SO I'D LIKE TO GO THROUGH AT THIS
23 POINT SOME OF THE DETAIL WITH YOU NOW BEGINNING

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24 WITH THE SUMMARY OF THE BOARD'S POSITIONS. IN

25 OTHER WORDS, LET'S LOOK AT JUST HOW ARE OUR

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1 RESOURCES ALLOCATED ACROSS THIS ORGANIZATION. AS
2 YOU CAN SEE FROM THE TABLE, THE BOARD'S CURRENT
3 TOTAL OF AUTHORIZED POSITIONS PER THE GOVERNOR'S
4 BUDGET IS 421 WHAT WE CALL PY'S, PERSONNEL YEARS.
5 WHEN YOU TAKE OUT THE HIGHEST LEVEL OF MANAGEMENT
6 AND ITS SUPPORT POSITIONS, YOU CAN SEE THAT A TOTAL
7 OF 52 POSITIONS ARE NOT DEDICATED TO THE DAY-TO-DAY
8 PROGRAM STAFF WORK, IF YOU WILL, REPRESENTING YOUR
9 OFFICES, THE EXECUTIVE OFFICE, OUR SUPPORT
10 POSITIONS, THE LIAISONS, AND THOSE POSITIONS THAT
11 WE SEE ON LOAN TO CAL-EPA.

12 IN ADDITION, WHEN YOU TAKE OFF BOTH
13 OUR REQUIRED SALARY SAVINGS AND HIRING FREEZE
14 VACANCIES, ANOTHER 39 POSITIONS WERE SUBTRACTED
15 FROM THE AUTHORIZED TOTAL. IN OTHER WORDS, THE
16 DEPARTMENT OF FINANCE REQUIRES THAT WE MAINTAIN 5
17 PERCENT OR 21.8 POSITIONS THAT WE JUST MUST
18 MAINTAIN VACANT. WE HAVE FOUR POSITIONS
19 ESTABLISHED, BUT NO FUNDING FOR A FEDERAL PROGRAM
20 THAT DTSC HAS REDUCED FUNDING TO US. THAT WAS FROM
21 MILITARY BASE CLOSURE ACTIVITY. AS YOU KNOW, WE'VE
22 HAD A HIRING FREEZE ON, PRETTY FIRM, PRETTY HARD
23 HIRING FREEZE SINCE NOVEMBER OF '96, AND WE HAVE

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24 ANOTHER PY 13, SO WE'RE SUBTRACTING THOSE 39 OUT.

25 AS A RESULT, WE HAVE ACTUALLY A TOTAL OF 330

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1 POSITIONS WITH WHICH TO ACCOMPLISH OUR DIRECT
2 PROGRAM ACTIVITIES.

3 BOARD MEMBER RELIS: I JUST -- GOING
4 BACK TO THE EXECUTIVE AND SUPPORT POSITIONS, THE
5 WAY YOU'VE JUST DESCRIBED IT, IT SEEMS TO ME, AND
6 MAYBE I DON'T QUITE GET THIS, BUT 31 POSITIONS ARE
7 INVOLVED IN KEY ROLES OF ADVANCING OUR PROGRAMS
8 THERE. AND SO I WONDER WHETHER THEY REALLY NEED TO
9 BE UNDERSTOOD AS NOT PART OF THE 330. I'M JUST
10 RAISING THAT QUESTION BECAUSE I CAN'T IMAGINE THE
11 ORGANIZATION FUNCTIONING WITH ITS OBJECTIVES
12 WITHOUT THE LINE -- THE EXECUTIVE PEOPLE IN OUR
13 OFFICE PLAYING THE ROLES THEY DO. SO I JUST WOULD
14 LIKE YOUR THOUGHTS ON THAT.

15 MR. CHANDLER: WE HAD A NUMBER OF DEBATES
16 AROUND WHETHER WE SHOULD -- FOR EXAMPLE, WHERE DO
17 YOU DRAW THE LINE? THE SENIOR LEVEL AND THE BRANCH
18 LEVEL MANAGEMENT TEAM SHOW UP UNDER THOSE THAT ARE
19 IN THE FIELD DOING THE DAY-TO-DAY WORK OR IN THEIR
20 CAPACITY OF BEING MANAGERS, ARE THEY REALLY
21 MANAGING FUNCTIONS, BUT THE DAY-TO-DAY STAFF WORK
22 BEING DONE AT THE STAFF LEVEL. OBVIOUSLY I THINK
23 YOUR POINT IS THAT CARRY THAT UP INTO THIS TEAM

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24 HERE, THAT WE'RE ALL DEDICATED TO SOME OF THE
25 OBJECTIVES WITHIN THE STRATEGIC PLAN AND THAT'S

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1 APPROPRIATE.

2 I THINK YOU CAN CUT THIS WHICHEVER
3 WAY YOU WANT. THAT IS, IT DOES INCLUDE CLERICAL
4 SUPPORT AND, OF COURSE, IT INCLUDES YOUR ADMINIS-
5 TRATIVE COMMITTEE ANALYSTS OR LIAISONS, IF YOU
6 WILL, THAT ARE ALSO WITHIN THE DIVISIONS. SO WE
7 JUST LUMPED THE NUMBERS THIS WAY, BUT YOUR POINT IS
8 WELL TAKEN. YOU CAN OBVIOUSLY ALLOCATE SOME OF
9 THOSE POSITIONS TO INITIATIVES IN THE LEGISLATION
10 ARENA.

11 BOARD MEMBER RELIS: I JUST SAY THAT,
12 ESPECIALLY AS WE GET FURTHER DOWN THE LINE IN THE
13 DISCUSSION OF HOW WE'RE DEPLOYING OUR RESOURCES
14 OVERALL, BOTH AT -- YOU KNOW, I WOULD INCLUDE BOARD
15 LEVEL ALL THE WAY THROUGH, THAT THIS IS WHAT THIS
16 ENTERPRISE, I THINK, IS ALL ABOUT IS ALIGNMENT.

17 MR. CHANDLER: WELL, CERTAINLY I THINK
18 WHAT WE CAN SAY IS THE 330 POSITIONS YOU SEE UP
19 THERE REPRESENT CLERICAL STAFF AND MIDDLE MANAGE-
20 MENT ALL THE WAY UP TO THE EXECUTIVE LEVEL
21 MANAGEMENT. AND THE REASON WE ARE PRESENTING THIS
22 DETAIL TODAY IS TO DEMONSTRATE THAT ALTHOUGH WE
23 HAVE 421 AUTHORIZED POSITIONS, NEARLY A HUNDRED OF

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24 THOSE ARE WHAT WE WOULD SAY, ANYWAY, ARE NOT

25 DEDICATED TO THE DAY-TO-DAY ACTIVITIES THAT

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1 ACCOMPLISH THE LEGISLATIVE MANDATES AND THE BOARD'S
2 DIRECTIVES. THEY'RE MORE IN CHARGE OF SETTING THE
3 AGENDA AND MANAGING THOSE DIRECTIVES.

4 SO LET'S TAKE A LOOK AT THE ALLOCA-
5 TION OF THOSE RESOURCES ACROSS THE VARIOUS
6 DIVISIONS. I THINK THE TABLE IS PRETTY SELF-
7 EXPLANATORY. HOWEVER, I THOUGHT YOU'D WANT TO SEE
8 HOW THEY'RE ALLOCATED BY OFFICE AND MAJOR DIVISION.
9 AS YOU CAN SEE, THE THREE PROGRAM LINE DIVISIONS,
10 REFERRING TO P&E, MARKETS, AND PLANNING, ACCOUNT
11 FOR 70 PERCENT OF THE RESOURCES. P&E IS 30
12 PERCENT, MARKETS AND PLANNING REPRESENT 40 PERCENT.
13 IF YOU INCLUDE THE FOURTH DIVISION, ADMINISTRATIVE
14 SUPPORT, THE TOTAL OF ALL RESOURCES IS 93 PERCENT.

15 FROM A HISTORICAL PERSPECTIVE, MANY
16 OF YOU ARE FAMILIAR THAT WE'VE GONE FROM RAPID
17 GROWTH AT THE OUTSET OF AB 939, PEAKING IN FISCAL
18 YEAR '93-'94, TO A GRADUAL DECLINE IN PERSONNEL
19 RESOURCES OVER THE LAST COUPLE OF YEARS.

20 IN THE AREA OF CONTRACT AND O&E
21 FUNDING, WE'VE TALKED ABOUT PY RESOURCES AND WHERE
22 THEY'RE ALLOCATED. HOW ABOUT SOME OF OUR CONTRACTS
23 AND OPERATING EXPENSES, OTHER RESOURCES THAT
24 SUPPORT OUR ACTIVITIES. YOU CAN SEE HOW CONTRACT

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25 FUNDING AND OE&E FUNDING HAS CHANGED OVER THE LAST
14

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1 FIVE YEARS.

2 IT SHOULD BE NOTED THAT FOR CONTRACT
3 FUNDING, WHICH IS THE LIGHTER BAR ON THE GRAPH,
4 WE'VE SEEN A GRADUAL DECLINE IN THE LEVEL OF
5 FUNDING AVAILABLE WITH THE EXCEPTION THAT THE
6 CURRENT FISCAL YEAR, THE ONE -- WE HAVE THAT
7 ONETIME BUMP OF \$5 MILLION TO SUPPORT THE TIRE
8 PROGRAM WAS MONIES THAT WERE RETURNED FROM THE
9 SWEEP AND THE CHANGE IN POINT OF COLLECTION. SO I
10 THINK YOU CAN PROBABLY LOOK AT THE DARK CHART,
11 WHICH INCLUDES CONTRACTS, BUT WE HAVE PULLED OUT IN
12 THE LIGHTER BAR CHART SPECIFICALLY THE CONTRACT
13 LEVEL. AND THAT SHOWS THE DOWNWARD TREND WE'VE
14 SEEN OVER THE LAST FEW YEARS WITH THE EXCEPTION OF
15 THAT ONETIME ALLOTMENT TO TIRE. AND THAT APPLIES
16 TO OE&E AS WELL.

17 I'VE PICKED OUT ONE AREA, TRAINING
18 FUNDS. SIMILARLY, WE'VE SEEN A FAIRLY SIGNIFICANT
19 DROP IN FUNDING SUPPORT FOR TRAINING. I THINK WE
20 NEED TO REEXAMINE THE LEVEL OF SUPPORT FOR TRAINING
21 AS IT RELATES TO THE ACHIEVEMENT OF OUR VISION OF
22 BECOMING THE NATIONAL AND INTERNATIONAL EXPERTS IN
23 SOLID WASTE MANAGEMENT.

24 HOW ABOUT -- NOW THAT I'VE DONE THIS

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25 ACROSS THE BOARD, ALL FUNDS, LET'S LOOK AT SPECIAL
15

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1 FUND ACTIVITIES JUST FOR A SECOND BECAUSE THEY ARE,
2 IF YOU KNOW, IMPACTED AND SUPPORTED BY THE
3 INTEGRATED WASTE MANAGEMENT ACCOUNT. AND I PUT
4 THIS CHART UP TO JUST TO SHOW THE IMPACT ON THE
5 IWMA PROGRAM SUPPORT AS IT RELATES TO THE OIL AND
6 TIRE FUND PROGRAMS. GIVING STAFFING CONSTRAINTS,
7 AND I'M REFERRING TO THE ADMINISTRATIVE CAPS, YOU
8 CAN SEE FROM THIS TABLE THAT WE'RE USING 10 PY OR
9 10 POSITIONS FROM THE INTEGRATED WASTE MANAGEMENT
10 ACCOUNT TO SUPPORT THE OIL AND TIRE ACTIVITIES. I
11 THINK IT WAS MOST DRAMATICALLY SHOWN IN THE TIRE
12 AREA WHERE NEARLY 40 PERCENT OF THE RESOURCES THERE
13 COME FROM THE INTEGRATED WASTE MANAGEMENT ACCOUNT,
14 AGAIN GOVERNED BY THE FACT THAT WE'RE CAPPED
15 ADMINISTRATIVELY ON HOW HIGH WE CAN GO TO RUN THAT
16 PROGRAM.

17 I THINK IT'S IMPORTANT TO NOT FORGET
18 THE FACT THAT WE HAVE 17 BILLS THAT ARE SITTING ON
19 THE GOVERNOR'S DESK RIGHT NOW AWAITING ACTION.
20 THIS DISPLAY THAT YOU SEE ABOVE, IF SIGNED INTO
21 LAW, THESE BILLS WOULD COST THE BOARD OVER \$600,000
22 TO IMPLEMENT IN THE CURRENT YEAR AND OVER TWO
23 MILLION IN EACH OF THE TWO SUBSEQUENT YEARS.

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24 BOARD MEMBER CHESBRO: ARE THOSE ACTUAL
25 INCREASES IN EXPENDITURE IN TERMS OF ADDED

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1 POSITIONS OR NEW EXPENSES, OR ARE THEY REDIRECTION
2 OF EXISTING RESOURCES?

3 MR. CHANDLER: WELL, WE PUT THE FISCAL IN,
4 AND WE INDICATED THIS IS WHAT WE ESTIMATED THE COST
5 AND THE RESOURCES TO BE. SO THEY ARE COVERED, BUT,
6 OF COURSE, WE WOULD HAVE TO ABSORB THOSE WITHIN OUR
7 EXISTING BUDGET. SO WE DO NOT GET ADDITIONAL TIP
8 FEE MONEY TO ADD MORE REVENUE. SO YOU ARE RIGHT,
9 MR. CHESBRO. THE ISSUE HERE WOULD BE IF THESE
10 BILLS BECAME ENACTED, WE WOULD NEED TO REDIRECT UP
11 TO SEVEN PY IN THE FIRST YEAR AND AS HIGH AS 11
12 FROM THOSE 13 PY'S OF VACANCIES THAT ARE FROZEN TO
13 ROLL THOSE PROGRAMS OUT OR WE WOULD REDIRECT
14 EXISTING PERSONNEL TO ACCOMPLISH THESE NEW
15 MANDATES.

16 AND I THINK I SHOULD NOTE THAT THE
17 FIGURE INCREASES IN THE SECOND AND THIRD YEAR DUE
18 TO THE EFFECTIVE DATES ON OF ONE THESE BILLS, SB
19 3030.

20 LASTLY, I'D LIKE TO MENTION TWO OTHER
21 FACTORS THAT WE NEED TO KEEP IN MIND AS WE LOOK AT
22 OUR RESOURCES. FIRST IS FUTURE YEAR BCP'S WHICH
23 COULD IMPACT THE BOARD'S POSITION AND FUNDING

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24 LEVELS FOR FUTURE YEARS, AND THE SECOND IS THE
25 HIRING FREEZE WHICH WE HAVE IMPLEMENTED TO HELP

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1 BALANCE OUR BUDGET.

2 OUR SALARY SAVINGS TARGET THROUGH THE
3 HIRING FREEZE FOR THIS YEAR IS A HALF A MILLION
4 DOLLARS, 500,000, WHICH IS APPROXIMATELY EIGHT PY.
5 THIS IS IN ADDITION TO, AS I HIGHLIGHTED EARLIER,
6 THE 5-PERCENT SALARY SAVINGS WE'RE REQUIRED TO
7 MAINTAIN BY THE DEPARTMENT OF FINANCE.

8 SO LET'S TALK ABOUT SOME OF THE
9 FINDINGS THAT WE OBSERVE, AT LEAST FROM OUR CURRENT
10 STATE ANALYSIS, AGAIN, WHERE THE RESOURCES HAVE
11 BEEN ALLOCATED AND WHERE OUR SUPPORT DOLLARS GO. I
12 THINK IN A SECOND IT WILL BE INTERESTING TO SEE HOW
13 WE HAVE DEDICATED THESE RESOURCES TO THE VARIOUS
14 GOALS ACROSS THE STRATEGIC PLAN. AND IN PREPARING
15 THIS INFORMATION, I ASKED THE EXECUTIVE STAFF TO
16 IDENTIFY THE PRIMARY AND SECONDARY GOALS SUPPORTED
17 BY EACH OF THEIR PROGRAMS. BASED UPON THE PRIMARY
18 GOAL ONLY, THE RESULTS OF ANALYSIS ARE SHOWN ON
19 THIS NEXT TABLE.

20 I SEE THAT WE HAVE UP GOALS 2, 3, AND
21 4; AND I WANT TO REMIND YOU YOU HAVE IN YOUR AGENDA
22 ITEM THAT GOALS 2, 3, AND 4 ARE REITERATED AGAIN.
23 GOAL 2 BEING PRIMARILY LOOKING AT THE LOCAL

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24 GOVERNMENT DIVERSION EFFORTS, AND GOAL 3 BEING OUR
25 PUBLIC HEALTH AND SAFETY EFFORTS. YOU CAN FIND

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1 THOSE ON 226 OF YOUR OVERALL PACKET OR PAGE 10 OF
2 THIS AGENDA ITEM.

3 BUT AGAIN, SPECIFIC TO THE FOUR GOALS
4 IN THE STRATEGIC PLAN, I THINK YOU CAN SEE THAT
5 GOALS 2 AND 3 HAVE THE MOST STAFF AND THE LARGEST
6 NUMBER OF ACTIVITIES AT THE BOARD. A TOTAL OF
7 NEARLY 66 PERCENT OF THE RESOURCES IN TOTAL FILLED
8 POSITIONS ARE DEDICATED TO GOALS 2 AND 3, WHICH
9 MAKE SENSE. GOALS 2 AND 3 ARE DIVERSION EFFORTS
10 AND OUR MARKETS EFFORTS. SO CLEARLY TWO-THIRDS OF
11 THE ORGANIZATION'S RESOURCES ARE DEDICATED IN THOSE
12 TWO AREAS. AND THAT'S REPRESENTED BY THE TOTAL
13 FILLED POSITIONS THAT YOU HAVE ON THE SCREEN.

14 AS I SAID, TOGETHER THESE TWO GOALS
15 CONSTITUTE 66 PERCENT OF THE BOARD'S RESOURCES AND
16 PROGRAMS. AND THIS CONTINUES TO REINFORCE THAT WE
17 SEE OUR CORE FUNCTIONS BEING, ACHIEVING THE
18 50-PERCENT DIVERSION MANDATE AND SUPPORTING OUR
19 REGULATORY RESPONSIBILITIES INHERENT IN THE OTHER
20 50 PERCENT.

21 LATER IN OUR PRESENTATION, WE'LL TALK
22 ABOUT HOW THIS INFORMATION HELPED US LEAD TO THE
23 CONCLUSION THAT WE NEED TO FOCUS GREATER

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24 PRIORITY -- FOCUS ON THE GREATER PRIORITY

25 ACTIVITIES HERE AT THE BOARD.

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1 BOARD MEMBER CHESBRO: MR. CHANDLER, THIS
2 IS PROBABLY SELF-EVIDENT TO EVERYBODY, BUT I THINK
3 THIS NEEDS TO BE QUALIFIED A LITTLE BIT BY POINTING
4 OUT THAT YOU MENTIONED THE PRIMARY AND SECONDARY
5 ACTIVITIES, BUT CLEARLY THESE FOUR ARE ALL
6 INTERTWINED. AND GOALS 2 AND 3 SUPPORT OR
7 COMPLETELY INTERTWINE WITH GOALS 1 AND 4. I MEAN
8 THEY'RE NOT DISTINCT AT ALL. SO WHEN YOU SAY THAT
9 THE 34 POSITIONS GO TO SUPPORT GOAL 1, YOU KNOW, IT
10 NEEDS TO BE POINTED OUT THAT IF WE ACHIEVE GOALS 2
11 AND 3, THEN WE ARE ACHIEVING GOAL 1. SO, YOU KNOW,
12 IT'S NOT THAT CRISP. I THINK YOU HINTED AT IT, BUT
13 I JUST WANTED TO SAY THAT.

14 MR. CHANDLER: GOOD POINT.

15 SO LET'S TALK A LITTLE BIT ABOUT
16 CURRENT STATE FINDINGS AS IT RELATES TO THE SECOND
17 AND THIRD BULLETS THAT WE REITERATED. LOOKING AT
18 THE CURRENT STATE FINDINGS, THE PROGRAM EVALUATIONS
19 HIGHLIGHTED THE FACT THAT WE DO NOT HAVE CONSISTENT
20 AND APPROPRIATE PERFORMANCE MEASURES FOR THE
21 MAJORITY OF OUR PROGRAMS. THIS CREATES A NEED FOR
22 AN OPPORTUNITY TO BUILD AND CLEARLY DEFINE
23 APPROPRIATE MEASURES AS WE MOVE INTO IMPLEMENTATION

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24 OF THE PLAN AND ACHIEVING OUR FUTURE STATE.

25 IN ADDITION, PROBABLY THE MOST

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1 IMPORTANT CONCLUSION WE HAVE REACHED THROUGH OUR
2 CURRENT STATE ANALYSIS IS THE NEED FOR THIS
3 ORGANIZATION TO BEGIN FOCUSING MORE DIRECTLY ON THE
4 KEY STRATEGIES IT DEEMS APPROPRIATE TO ACHIEVE
5 THOSE DUAL MANDATES.

6 ON AN EARLIER CHART WE SAW THAT WE
7 HAVE 330 STAFF DEDICATED TO OVER A HUNDRED
8 PROGRAMS, AND WE KNOW THAT OUR STRATEGIC PLAN
9 IDENTIFIES 45 DIFFERENT STRATEGIES. IF WE ARE TO
10 BE SUCCESSFUL IN ACHIEVING OUR CORE FUNCTION, WE
11 CAN NO LONGER AFFORD TO BE SPREAD THIS THIN.
12 THEREFORE, THE EXECUTIVE STAFF BEGAN EXAMINING
13 METHODS FOR ORGANIZING OUR WORK THAT WOULD SUPPORT
14 OUR ABILITY TO FOCUS ON A FEW KEY PRIORITY AREAS.

15 WITH THAT, I'D LIKE TO TURN IT OVER
16 TO KEITH SMITH TO DESCRIBE OUR THINKING ON HOW TO
17 SUCCESSFULLY FOCUS OUR EFFORTS HERE AT THE BOARD.

18 MR. SMITH: WITH YOUR PERMISSION, I'D LIKE
19 TO STAND UP. I DON'T LIKE BEING ANCHORED DOWN.

20 OVER THE NEXT THREE YEARS, IN A
21 PERIOD WHEN RESOURCES ARE DECLINING, THE BOARD HAS
22 TWO AMBITIOUS GOALS: TO ASSIST OUR PARTNERS IN
23 LOCAL GOVERNMENT AND INDUSTRY ACHIEVE A FURTHER 20
24 PERCENT IN WASTE REDUCTION AND TO PROTECT PUBLIC

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25 HEALTH AND SAFETY IN THE ENVIRONMENT THROUGH
21

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1 IMPROVED MANAGEMENT OF THE REMAINING WASTES.

2 MY PURPOSE TODAY IS TO DESCRIBE A
3 PLANNING FRAMEWORK THAT WE THINK CAN HELP THE BOARD
4 ACHIEVE FOUR OUTCOMES: TO FOCUS DISCUSSION,
5 DECISIONS, AND RESOURCES ON THE VITAL FEW BOARD
6 STRATEGIES THAT WILL ACCOMPLISH OUR LEGISLATIVE
7 MANDATES AND ACHIEVE OUR VISION AND GOALS; SECOND,
8 TO IDENTIFY WHEN AND HOW THE IMPORTANT MANY BOARD
9 RESPONSIBILITIES WILL BE ADDRESSED; THIRD, TO PLAN,
10 MANAGE, AND MEASURE PROGRESS TOWARDS ACHIEVING THE
11 BOARD'S MANDATES AND TO PROVIDE ACCOUNTABILITY FOR
12 RESULTS; AND, FOURTH, TO DETERMINE WHEN TO MAINTAIN
13 AND WHEN TO SUNSET A STRATEGY.

14 IN ORDER TO ACCOMPLISH THIS, WE
15 PROPOSE THAT THE BOARD FOCUS A MAJOR PART OF THE
16 STAFF'S EFFORT ON THE VITAL FEW STRATEGIES THAT
17 WILL HELP ACHIEVE THESE GOALS. WE SUGGEST THAT
18 THESE VITAL FEW STRATEGIES SHOULD FOCUS ON TWO
19 AREAS: FIRST, GROUPINGS OF WASTE TYPES THAT
20 CONSTITUTE A COMMON PROCESSING STREAM THAT ARE
21 EITHER OF SUFFICIENT TONNAGE TO SIGNIFICANTLY
22 CONTRIBUTE TO THE REMAINING 20-PERCENT REDUCTION OR
23 THAT CONSTITUTE A SIGNIFICANT HAZARD; SECOND,
24 SIGNIFICANT OPERATIONAL OR PARTNERSHIP ACTIVITIES

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25 THAT CAN BE A MAJOR MEANS TO ACCOMPLISH THE BOARD'S
22

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1 MANDATES.

2 THE PROPOSED MODEL IS AN ADAPTATION
3 OF WHAT IS KNOWN AS THE SHEWHART OR DEMMING CYCLE,
4 WHICH GRAPHICALLY DEPICTS HOW A STRATEGY MOVES FROM
5 ITS CURRENT STATE, WHICH IS THE BOTTOM LEFT, TO A
6 TARGET STATE THROUGH THE APPLICATION OF ONE OR MORE
7 STUDY, ASSESS, PLAN, DO, CHECK, AND ADJUST CYCLES.

8 THE STUDY-ASSESS PHASE FOCUSES ON
9 DATA COLLECTION, ANALYSIS, AND TESTING TO DETERMINE
10 IF A STRATEGY CAN SIGNIFICANTLY CONTRIBUTE TO
11 REACHING THE TARGET. PLANNING DETERMINES A
12 REASONABLE TARGET FOR THE STRATEGY, IDENTIFIES
13 METHODS FOR REACHING THAT TARGET, AND DEFINES HOW
14 TO MEASURE PROGRESS.

15 THE TO-DO STAGE ENCOMPASSES TRAINING
16 AND IMPLEMENTATION. CHECK INVOLVES MONITORING OF
17 PROGRESS THROUGH PERFORMANCE MEASUREMENT. ADJUST
18 REFLECTS APPROPRIATE MIDCOURSE CORRECTIONS TO THE
19 PLAN.

20 DOUG'S BEEN PLAYING HERE. HE'S BEEN
21 HAVING FUN WITH POWERPOINT.

22 BOARD MEMBER JONES: LOOKS LIKE ESPN.

23 MR. SMITH: THE ADAPTED MODEL FOR THE
24 BOARD SHOWS THE STEPS I HAVE DESCRIBED IN THE THREE

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25 LEFT-HAND OVALS AND ADDS TWO FURTHER STEPS,
23

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1 MAINTENANCE ACTIVITIES AND SUNSET, BOTH OF WHICH I
2 WILL DESCRIBE LATER. THE MODEL ALSO SUPPOSES, AND
3 IF YOU CAN SEE IT ON THE BOTTOM, THIS IS THE
4 DECLINING LINE ON THE BOTTOM, THE MODEL ALSO
5 SUPPOSES THAT WE WILL ACT CONTINUOUSLY TO DECREASE
6 ADMINISTRATIVE OVERHEAD OVER THIS PERIOD OF TIME.

7 NOTE THAT THE VERTICAL AXIS DENOTES
8 INCREASING RESOURCES AND THE HORIZONTAL AXIS
9 DENOTES INCREASING OR PROGRESSIVE TIME.

10 LET'S TAKE A LOOK AT HOW THE MODEL
11 MIGHT WORK IN PRACTICE.

12 ANALYSIS AND DEVELOPMENT IS THE MORE
13 DESCRIPTIVE TITLE FOR THE STUDY-ASSESS PHASE. AT
14 THIS STAGE THE BOARD CHOOSES THE WASTE TYPES OR
15 OPERATING STRATEGIES IN WHICH TO INVEST TIME AND
16 DOLLARS IN ORDER TO EXPLORE THEIR POTENTIAL --
17 THEIR POTENTIAL ROLE IN MEETING THE BOARD MANDATES.

18 THE BOARD EXPLORES THE POTENTIAL
19 IMPACT THROUGH DATA COLLECTION AND ANALYSIS AND
20 THROUGH INVESTMENT OF ITS GRANT AND CONTRACT
21 DOLLARS IN THE TESTING OF NEW PRACTICES. THIS
22 ALLOWS THE BOARD TO FOCUS ITS STAFF AND
DOLLARS ON

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23 TARGETED AREAS, ASSESS THE RETURN ON THAT
24 INVESTMENT, DEVELOP REAL WORLD WORKING MODELS,
AND
25 ASSESS AND DOCUMENT SUCCESSFUL MODELS TO
CREATE A

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1 CATALOG OF BEST PRACTICES FOR USE IN THE NEXT
2 STAGE, PLANNING. RESOURCES DEDICATED TO THIS
3 ACTIVITY, OF COURSE, WILL BE DELINEATED AS PART OF
4 THE PROCESS.

5 BOARD MEMBER CHESBRO: CAN I ASK YOU A
6 QUESTION? WHEN YOU SAY SELECTION OF WASTE TYPE OR
7 OPERATION AND PARTNERSHIP STRATEGIES, BY OPERATION
8 DO YOU MEAN PROGRAMS?

9 MR. SMITH: NO. I THINK PROGRAMS ARE TOO
10 NARROW. I'M LOOKING AT A BROADER STRATEGY THAT
11 INVOLVES MULTIPLE PROGRAMS. TWO OF THE ISSUES THAT
12 YOU WILL SEE LATER ON THIS AFTERNOON KIND OF FALL
13 IN THAT AREA WHERE WE'RE LOOKING AT BROAD CROSS-
14 FUNCTIONAL EFFORTS TO MOVE AND TO EFFECT ONE OF
15 THESE STRATEGIES. WHEN WE'VE GOT 330 PEOPLE
16 INVOLVED IN A HUNDRED ONE PROGRAMS, DIVIDING IT
17 THREE PEOPLE PER PROGRAM, YOU DON'T GET A LOT OF
18 IMPACT. SO I'M LOOKING AT LARGE, CROSS-FUNCTIONAL
19 APPROACHES OR STRATEGIES. AND, YES, IT DOES NEED
20 SOME MORE DEFINITION.

21 BOARD MEMBER CHESBRO: THAT MEANS IT'S
22 PRIMARILY INTERNAL OR BOARD FUNCTIONS HERE AS
23 OPPOSED TO WHAT'S HAPPENING OUT THERE IN THE
24 RECYCLING MARKETPLACE.

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25

MR. SMITH: NO. I THINK IT ALSO
25

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1 INVOLVES -- I SAID OPERATIONAL AND PARTNERSHIP. IT
2 INVOLVES BOTH INTERNAL STRATEGIES AND HOW WE REACH
3 OUT TO OUR PARTNERS AND INVOLVE THEM IN THE PROCESS
4 TOO. SO I THINK THAT AREA DOES REQUIRE MORE
5 DEFINITION, I AGREE.

6 BOARD MEMBER CHESBRO: WELL, I HAVE TO
7 TELL YOU THIS IS MOVING REAL QUICKLY WITH THESE BIG
8 BROADBRUSH THINGS, AND THERE'S A LOT OF
9 DEFINITIONAL STUFF MISSING HERE. SO, YOU KNOW,
10 IT'S KIND OF LIKE, OH, WHAT DOES THAT MEAN?

11 MR. SMITH: I AGREE.

12 INTEGRATED STRATEGY DEVELOPMENT IS
13 THE ON-DECK CIRCLE FOR PLANNING WHERE THE BOARD
14 SELECTS THOSE STRATEGIES THAT WILL BE THE NEXT
15 FOCUS OF BOARD ATTENTION. STRATEGIES SELECTED
16 SHOULD BE THOSE THAT CURRENTLY HAVE THE GREATEST
17 POTENTIAL IMPACT ON ACHIEVEMENT OF EITHER OF THE
18 TWO MAJOR GOAL AREAS, THE ABILITY OF LOCAL JURIS-
19 DICTIONS TO MEET THE 50-PERCENT MANDATE OR TO
20 ENHANCE HEALTH AND SAFETY.

21 WHAT WE'RE PROPOSING IS A CROSS-
22 FUNCTIONAL TEAM OF MIDDLE MANAGERS AND SUBJECT
23 EXPERTS LED BY ONE OF THE SENIOR EXECUTIVES THAT
24 YOU SEE AT THE TABLE HERE. THE TEAM PREPARES A

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25 READY-TO-GO IMPLEMENTATION PLAN FOR THE STRATEGY.

26

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1 PART OF THE BENEFITS OF A CROSS-FUNCTIONAL TEAM ARE
2 THAT IT HELPS TO INVOLVE THE WHOLE ORGANIZATION IN
3 SETTING THE DIRECTIONS FOR THE ORGANIZATION. AND
4 TO THE EXTENT THAT THE -- A LARGE NUMBER OF MIDDLE
5 MANAGERS ARE INVOLVED IN THIS, IT MUCH IMPROVES
6 COMMUNICATION AROUND THE BOARD DIRECTION AND THE
7 BOARD'S PRIORITIES.

8 THE TEAM DEFINES THE SCOPE OF THE
9 EFFORT, SETS SPECIFIC AND MEASURABLE TARGETS FOR
10 ACCOMPLISHMENT. AND I WANT TO STRESS THAT. THE
11 EARLIER POINT ABOUT PERFORMANCE MEASUREMENT IS
12 REAL. I THINK WHAT -- A NUMBER OF THE STRATEGIES I
13 SAW IN THE STRATEGIC PLAN HAD VAGUE, GENERAL GOALS.
14 AND I THINK WE NEED TO GET MUCH MORE SPECIFIC ABOUT
15 HOW FAR WE ARE MOVING THE YARDSTICKS. MIXED
16 METAPHOR HERE, BASEBALL AND FOOTBALL. BUT HOW FAR
17 WE ARE MOVING THE YARDSTICKS IF WE ARE ADDRESSING A
18 WASTESTREAM, HOW MUCH SPECIFICALLY DO WE ANTICIPATE
19 WE WILL BE ABLE TO SQUEEZE OUT OF THAT STREAM SO
20 THAT WE HAVE A MEASURABLE TARGET AGAINST WHICH TO
21 GO AND WE CAN MEASURE THE PROGRESS. SO I AM
22 DEFINITELY HERE SAYING THAT PART OF THE PLANNING
23 EFFORT IS A VERY SPECIFIC DELINEATION. AND I

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24 THINK, AS YOU WILL SEE AS CAREN COMES UP LATER, SHE
25 HAS STARTED SOME OF THIS WORK TO REALLY SIZE WHAT

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1 WE CAN ACCOMPLISH IN EACH OF THESE AREAS.

2 BOARD MEMBER RELIS: ORGANIZATIONALLY,
3 WHAT YOU ARE TALKING ABOUT HERE -- I MEAN WHICH IS
4 A FAIRLY RADICAL DEPARTURE FROM THE WAY I THINK
5 WE'RE FOCUSED NOW IS THERE WOULD BE OWNERSHIP OF AN
6 ACTIVITY BY ONE OF OUR EXECUTIVE TEAM HERE, AND
7 THEY WOULD BE ACCOUNTABLE FOR REACHING A STATED
8 OBJECTIVE THAT WE ALL AGREE TO. AND WE LOOK TO
9 THAT INDIVIDUAL AND THAT TEAM, HOWEVER IT PLAYS OUT
10 IN THE CROSS ORGANIZATIONS, TO AT THE TIME EXPLAIN
11 HOW THE PROGRESS THAT'S BEING MADE OR LACK OF, AND
12 THAT'S WHERE THE ACCOUNTABILITY LIES.

13 MR. SMITH: ABSOLUTELY. THAT'S MY
14 PROPOSED LIST, THAT THE SENIOR EXECUTIVE IN THAT
15 TEAM NOT ONLY ARE INVOLVED IN THE PLANNING, BUT GO
16 THROUGH RIGHT UNTIL THE STRATEGY IS FOLDED EITHER
17 INTO THE LAST STAGES, WHICH ARE MAINTENANCE OR
18 SUNSET, SO THAT THEY REMAIN RESPONSIBLE FOR THAT
19 STRATEGY RIGHT THROUGH TO ITS COMPLETION.
20 ABSOLUTELY CORRECT.

21 OKAY. LET ME GET BACK TO WHERE I AM
22 HERE. I'VE TALKED ABOUT SETTING TARGETS WHICH I
23 PROPOSE ARE SPECIFIC AND MEASURABLE. I'M ALSO

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24 PROPOSING THAT PART OF THAT PLAN BE MILESTONES SO
25 THAT WE HAVE A WAY TO CHECK ON PROGRESS AND A WAY

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1 TO REPORT BACK TO THE BOARD OR TO EXECUTIVE
2 MANAGEMENT ABOUT PROGRESS AND SO THAT THAT PROGRESS
3 CAN BE ASSESSED.

4 THE METHODS USED BY ALL PARTS OF THE
5 ORGANIZATION -- AND AGAIN, I WANT TO STRESS THAT
6 THIS IS AN INTEGRATED EFFORT, THAT IT WILL TIE THE
7 PUBLIC AFFAIRS, THE MARKET DIVISION, THE LOCAL
8 ASSISTANCE AND HOW ALL OF THOSE PARTS OF THE
9 ORGANIZATION INTERACT TO MOVE THIS AGENDA ITEM
10 FORWARD. SO THE METHODS TO BE USED BY ALL PARTS OF
11 THE ORGANIZATION ARE DESCRIBED AND THE NEEDED
12 RESOURCES DETERMINED. AGAIN, AN IMPORTANT STEP.
13 IF WE ARE MOVING TOWARDS THESE AS A PRIORITY, WHAT
14 IS IT GOING TO TAKE IN EACH OF THESE AREAS TO DO
15 THIS COMPLETELY AND FULLY.

16 IT ALSO SUPPOSES THAT, AS THIS IS A
17 READY-TO-GO STRATEGY, THAT THE MATERIALS NEEDED,
18 SUCH AS THE PUBLIC OUTREACH MATERIALS, WILL BE
19 PREPARED, THAT THE SPECIFIC LOCAL GOVERNMENT OR
20 INDUSTRY PARTNERS ARE IDENTIFIED. IF WE ARE
21 FOCUSING, FOR INSTANCE, IN ORGANICS, IT'S PROBABLE
22 THAT THE CITY OF COMMERCE DOESN'T HAVE HUGE

TRAFFIC

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23 IN ORGANICS. SO IT REALLY IS HERE A WAY TO TARGET
24 THOSE PARTICULAR PARTNERS THAT ARE GOING TO BE
MOST
25 INFLUENTIAL AND AFFECTED BY THIS. SO AGAIN, HERE

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1 IS WHERE WE REACH OUT TO IDENTIFY THOSE PARTNERS
2 AND, IF APPROPRIATE, WE BRING THOSE PARTNERS INTO
3 THE PLANNING PROCESS.

4 SO AGAIN, THIS IS AN EXTERNAL
5 OUTREACH AS WELL AS AN INTERNAL VIEW HERE. AGAIN,
6 AT THE NEXT STEP, WE ESTABLISH THE SPECIFIC
7 PERFORMANCE MEASUREMENT SYSTEMS TO TRACK THE
8 PROGRESS. WE AGREE UPON THEM, AND WE SET IN PLACE
9 READY TO GO THE DATA COLLECTION, ANALYSIS, AND
10 REPORTING SYSTEMS AT THIS POINT.

11 FINALLY, A STRATEGY -- A LIFE CYCLE
12 FOR THE STRATEGY IS PROPOSED. I DO NOT PROPOSE
13 THAT THESE THINGS HAVE EXTENDED LIFETIMES. MY
14 RECOMMENDATION IS THAT, FOR THE MOST COMPLEX OF
15 THESE STRATEGIES, A MAXIMUM OF 18 MONTHS BE SET,
16 WITH MOST STRATEGIES HAVING A SHORTER LIFE CYCLE OF
17 ONE YEAR OR LESS BEFORE THE STRATEGY IS MOVED TO A
18 MAINTENANCE OR A SUNSET STEP OR THE STRATEGY IS
19 SUFFICIENTLY PROGRESSING AND THAT IT RECEIVES AN
20 EXTENSION.

21 I THINK WE NEED TO PUT A SENSE OF
22 URGENCY AND A REAL DROP-DEAD DATE ON THE TIME
23 FRAMES FOR THESE.

24 FINALLY --

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25

BOARD MEMBER RELIS: EXCUSE ME. I DON'T

30

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1 UNDERSTAND THAT.

2 MR. SMITH: WHAT I'M SAYING IS --

3 BOARD MEMBER RELIS: STRATEGY, TIME FRAME,
4 WHAT'S THAT MEAN?

5 MR. SMITH: WELL, WHAT I'M SAYING IS THAT
6 WE HAVE A CERTAIN LIFE CYCLE FOR OUR EFFORTS IN
7 THIS AREA, THAT THERE IS A CLOSURE DATE AT WHICH WE
8 MOVE IT OFF THE AGENDA AND MOVE ANOTHER STRATEGY
9 ON. IT'S NOT THAT WE STOP DOING IT, THAT WE FOCUS.
10 WE HAVE SQUEEZED AS MUCH AS WE CAN OUT OF THAT. IN
11 THE REASONABLE PERIOD OF TIME WE MOVE TO ANOTHER
12 BIG AREA WHERE WE CAN --

13 BOARD MEMBER RELIS: SO YOU ARE SAYING,
14 OKAY, LET'S JUST SUPPOSE YOU PICK FUNCTION ONE IN A
15 PRIORITY FRAMEWORK, AND YOU MOVE INTO IT, YOU
16 MOBILIZE, YOU IDENTIFY THE TEAM LEADER, THE PROGRAM
17 IS LAID OUT, AND THEN YOU EXPECT THAT WITHIN ONE
18 YEAR, UNLESS THERE'S A COMPELLING REASON, THAT
19 REACHES A MAINTENANCE LEVEL, AND THEN YOU PULL UP
20 OTHER ACTIVITIES?

21 MR. SMITH: WHAT I'M LOOKING AT IS THE
22 LIKELIHOOD THAT EACH OF THESE MAY GO THROUGH MORE
23 THAN ONE CYCLE. YOU WILL GET THE BIG OUTCOME, THE
24 BIG BANG FOR THE BUCK IN THE EARLY STAGES. IT GETS

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25 PROGRESSIVELY MORE DIFFICULT, SO IF I'M TAKING A
31

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1 CERTAIN AMOUNT OF RESOURCES AND APPLYING IT TO AN
2 ISSUE, IN ALL LIKELIHOOD I WILL GET THE LARGER
3 BENEFITS EARLY ON. THEN LOOK BEHIND THAT AND ASK
4 ARE THERE OTHER AREAS WHERE IF I APPLIED THOSE
5 RESOURCES, I CAN GET A BIG JUMP FROM THAT. SO IT'S
6 A SEQUENCE --

7 BOARD MEMBER RELIS: I WOULD JUST ARGUE,
8 SINCE WE'RE IN A DISCUSSION, THAT THAT MAY OR MAY
9 NOT BE CORRECT, DEPENDING ON WHAT THE ACTIVITY IS.
10 YOU MAY FIND THAT THERE ARE LEAD TIMES, THAT A
11 CRITICAL LEVEL OF ACTIVITY CANNOT ACTUALLY GEL FOR
12 WELL OVER A YEAR. YOU KNOW, I LOOK BACK AND SAY,
13 WELL, SAY IN ORGANICS AND THE DEMONSTRATION
14 PROJECTS, THERE WAS A VERY SLOW SORT OF GESTATION,
15 AND THEN YOU REACH A POINT WHERE YOU CROSS INTO
16 TRANSFERABILITY.

17 IT WAS KIND OF LIKE LOOKING AT IT,
18 TOUCHING IT, AND THEN FINALLY MATERIAL STARTS
19 MOVING IN A DIRECTION. AND WE START DOWN A PATH
20 WHERE WE HAVE A STRATEGY TO WORK WITH PARTNERSHIP.
21 PARTNERSHIPS DON'T HAPPEN OVERNIGHT. IT MAY TAKE
22 THREE MONTHS TO PUT TOGETHER A CRITICAL MEETING
23 THAT WE NEED TO HAVE TO LAY THE FOUNDATION FOR THE
24 PARTNERSHIP. I'M NOT ARGUING.

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25

MR. SMITH: LET ME GO BACK TO YOUR
32

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1 EXAMPLE. I SEE THAT DEVELOPMENT ACTIVITY WORKING
2 IN THIS FIRST PHASE HERE. I THINK THERE'S A LOT OF
3 THAT SLOW MATURITY COMING IN PHASE I, THE ANALYSIS
4 AND DEVELOPMENT. WE HAVE SELECTED AT THAT POINT --
5 WE'RE STEPPING INTO THIS TEN YEARS INTO THIS, SO A
6 LOT OF THESE THINGS ARE SCATTERED AROUND THIS
7 DIAGRAM; BUT IF WE WERE STARTING TODAY WITH
8 ORGANICS, WE WOULD BE BACK HERE IN AN ANALYSIS AND
9 DEVELOPMENT PHASE.

10 WHEN, AS YOU SAID, IT REACHES A
11 POINT -- A CRITICAL POINT OF MATURITY, THEN WE KICK
12 IT INTO THE INTEGRATED STRATEGY DEVELOPMENT AND
13 MOVE IT UP, SO WE ARE NOW READY TO MOVE, BUT THIS
14 IS THE KIND OF -- WE'RE BOILING AWAY DOWN HERE
15 TRYING TO FIND WHETHER SOMETHING CAN -- IS WORTH
16 INVESTING LARGE AMOUNTS OF THE BOARD'S RESOURCES.
17 WHEN THAT CRITICAL POINT OCCURS, WE SHIFT IT UP TO
18 STEPS 2 AND 3 IS WHAT I'M SAYING, SO I AGREE WITH
19 YOU, THAT THAT MATURITY DEVELOPMENT IS DOWN IN STEP
20 1.

21 FINALLY, AS WE LOOK AT THE PLAN IN
22 THESE AREAS, WE HAVE TO LOOK AT HOW THEY INTERACT.
23 THE POINT THAT BOARD MEMBER CHESBRO MADE EARLY ON

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24 IS THAT NONE OF THESE WORKS IN ISOLATION. THEY ALL
25 INTERACT. SO PART OF THE PLANNING PROCESS IS TO

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1 LOOK AT THE INTERACTION WITH ALL THE OTHER EFFORTS.

2 WE TALKED ABOUT THE ON-DECK CIRCLE.

3 THIS IS THE BOARD PRIORITIES, THE BOARD

4 IMPLEMENTATION PRIORITY CIRCLE. AS THE RESOURCES

5 ALLOW AND AS OTHER STRATEGIES AT THIS STAGE IN THE

6 ON-DECK CIRCLE -- LET ME GO BACK. AS RESOURCES

7 ALLOW AND AS OTHER STRATEGIES AT THE NEXT STAGE,

8 THIS STAGE, ARE COMPLETED, STRATEGIES ON THE

9 ON-DECK CIRCLE ARE SELECTED TO BECOME A BOARD

10 IMPLEMENTATION PRIORITY. THESE ARE THE ISSUES THAT

11 WE ARE DEALING WITH HERE AND NOW. THIS IS WHERE

12 THE DO-CHECK-ACT STEPS OCCUR.

13 BOARD SELECTION INITIATES FULL

14 IMPLEMENTATION AND ASSURES THAT THESE STRATEGIES

15 RECEIVE PRIORITY ATTENTION AND THE RESOURCES

16 NECESSARY TO ACCOMPLISH THEM.

17 WHILE THE IMPLEMENTATION IS THE

18 RESPONSIBILITY OF THE VARIOUS DIVISIONS AND

19 PROGRAMS, THE AFOREMENTIONED EXECUTIVE TEAM --

20 EXECUTIVE LED CROSS-FUNCTIONAL TEAM MAINTAINS

21 RESPONSIBILITY FOR MONITORING AND EVALUATING

22 PROGRESS AND FOR RECOMMENDING ANY MIDCOURSE

23 CORRECTIONS. THE TEAM LEADER IS ALSO RESPONSIBLE

24 FOR SUCH PROGRESS REPORTS AS THE BOARD REQUIRES.

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25

THE FINAL TEAM RESPONSIBILITY IS TO
34

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1 RECOMMEND, IF NECESSARY, EXTENSION OF TIME AS A
2 PRIORITY, THE TYPE AND LEVEL OF MAINTENANCE
3 ACTIVITY REQUIRED ONCE THE STRATEGY IS NO LONGER AN
4 ACTIVE PRIORITY, OR WHETHER SUNSET OF THIS ISSUE
5 SHOULD BE RECOMMENDED TO THE BOARD.

6 IF MAINTENANCE IS RECOMMENDED, THE
7 TEAM ALSO RECOMMENDS WHETHER FURTHER ANALYSIS AND
8 DEVELOPMENT SHOULD BE UNDERTAKEN SO THAT A FURTHER
9 CYCLE AS A BOARD PRIORITY MAY BE CONSIDERED. IN
10 OTHER WORDS, WE'VE WRUNG MAYBE 40 OR 50 PERCENT OF
11 WHAT WE CAN GET OUT, BUT TO GET THE NEXT 20, WE'RE
12 GOING TO HAVE TO GO BACK, DEVELOP SOME NEW
13 STRATEGIES, AND MOVE AT IT AGAIN. SO IT CAN BE A
14 SERIES OF REPETITIVE CYCLES HERE.

15 MAINTENANCE ACTIVITIES ARE THOSE
16 ACTIVITIES THE PERFORMANCE OF WHICH ARE STILL
17 NECESSARY FOR THE BOARD TO FULFILL THE MANDATES,
18 BUT THAT HAVE MATURED TO A POINT WHERE THEY CAN BE
19 PERFORMED AT A REDUCED RESOURCE LEVEL. BOARD
20 SELECTION OF A WASTESTREAM OR STRATEGY FOR
21 MAINTENANCE ACTIVITIES KEEPS IT ON THE AGENDA, BUT
22 AT A MUCH REDUCED LEVEL.

23 EXISTING INFORMATION AND MATERIALS
24 ARE KEPT UP-TO-DATE, REQUESTS FOR INFORMATION ARE

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25 RESPONDED TO, SIMPLE REQUESTS FOR ASSISTANCE MAY BE
35

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1 UNDERTAKEN IF RESOURCES ALLOW, BUT NO MAJOR NEW
2 INITIATIVES ARE UNDERTAKEN. THE PREVIOUSLY
3 ESTABLISHED MEASURES MAY CONTINUE TO BE COLLECTED
4 AND MONITORED SO THAT ANY SUBSTANTIAL CHANGE IN
5 PERFORMANCE IS DETECTED, ITS IMPACT EVALUATED, AND
6 THE NEED FOR ACTION DETERMINED. SHOULD SUCH A
7 CHANGE OCCUR, THE STRATEGY CAN BE MOVED TO A FIRST
8 OR SECOND STEP OF A NEW CYCLE.

9 RESOURCES TO PERFORM THESE
10 MAINTENANCE ACTIVITIES, AGAIN, ARE DETERMINED.
11 WHAT IS IT GOING TO TAKE TO KEEP THIS MINIMAL LEVEL
12 OF ACTIVITY GOING?

13 A RECENT EXECUTIVE ORDER REQUIRES
14 THAT REGULATIONS BE REGULARLY REVIEWED FOR POSSIBLE
15 SUNSET. THIS PROCESS ALSO ALLOWS FOR THAT TO
OCCUR.

16 AS A PARTICULAR WASTESTREAM, SOURCE
17 REDUCTION AND DIVERSION PROCESS STABILIZES, OR AS
18 AN OPERATING STRATEGY REACHES THE END OF ITS USEFUL
19 LIFE, THEN SUNSET OF REGULATIONS SUPPORTING THAT
20 ISSUE MAY BECOME APPROPRIATE. SUCH A RECOMMENDA-
21 TION MAY OCCUR AFTER ONE OR MORE TERMS AS A BOARD
22 PRIORITY OR AFTER A PERIOD OF MAINTENANCE ACTIVITY.

23 IN SUMMARY, THIS PROCESS ALLOWS THE

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24 BOARD TO MAKE THE BEST USE OF ITS SCARCE AND COSTLY
25 RESOURCES, ITS PEOPLE. IT ALLOWS THE PLACEMENT OF

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1 EACH WASTESTREAM AND OPERATING OR PARTNERSHIP
2 STRATEGY AT AN APPROPRIATE PLACE IN THE CYCLE. IT
3 IDENTIFIES THE VITAL FEW CURRENT BOARD PRIORITIES
4 AS ACTIVE, ON DECK, OR IN ANALYSIS AND
5 DEVELOPMENT. IT FOSTERS DISCUSSION OF WHEN AND HOW
6 THE IMPORTANT MANY RESPONSIBILITIES WILL TAKE THEIR
7 PLACE AS A BOARD PRIORITY. IT DESCRIBES THE MEANS
8 TO PLAN, MANAGE, AND MEASURE PROGRESS TOWARDS
9 MEETING BOARD MANDATES AND PROVIDES ACCOUNT-
10 ABILITY. FINALLY, IT PROVIDES A MEANS TO DETERMINE
11 WHEN AND HOW TO MAINTAIN AND WHEN TO SUNSET A
12 PRIORITY.

13 THE PURPOSE OF A MODEL IS TO PROVIDE
14 A DISCUSSION FRAMEWORK TO FOCUS OUR EFFORTS. THE
15 NEXT STEP IN THE PROCESS, IF YOU AGREE THAT THE
16 APPROACH IS APPROPRIATE, ARE TO IDENTIFY THE FOCUS
17 WASTESTREAMS AND OPERATING AND PARTNERSHIP ISSUES
18 THAT QUALIFY AS POTENTIAL STRATEGIES, TO DEVELOP
19 CRITERIA FOR PLACEMENT OF THOSE STRATEGIES WITHIN
20 THE CYCLE, TO RECOMMEND SUCH PLACEMENT WITH
21 SUPPORTING DATA FOR BOARD APPROVAL; AND FINALLY,
22 WHEN APPROVAL IS FORTHCOMING, TO ACT EXPEDITIOUSLY
23 AND EFFECTIVELY TO EXECUTE THE STRATEGIES.

24 I'D LIKE TO TURN THE MEETING OVER TO

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25 RALPH TO LEAD THE DISCUSSION ON SOME EARLY
37

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1 RECOMMENDATIONS FOR ACTIVE BOARD PRIORITIES.

2 MR. CHANDLER: THANKS, KEITH. MAYBE
3 BEFORE I MOVE RIGHT INTO THAT, I JUST WANT TO SPEAK
4 A LITTLE BIT ABOUT THE OBSERVATION THAT MR. RELIS
5 MADE ABOUT THE CROSS-FUNCTIONAL TEAM APPROACH HERE
6 BECAUSE, WHILE I THINK WE COULD SAY IT'S PERHAPS
7 RADICAL, I THINK IT'S IMPORTANT TO NOTE, FIRST OF
8 ALL, THAT WE OVER THE LAST SEVERAL YEARS HAVE BEEN
9 TRYING TO BUILD A CULTURE HERE AT THE BOARD THAT
10 SPEAKS TO THE INTEGRATION TO THE PROGRAMS. THE
11 FACT THAT, AS MR. CHESBRO IS POINTING OUT, WHICH
12 REGULATIONS WE BRING FORWARD UNDER THE TIERED
13 PERMITTING STRUCTURE NEEDS TO BE DONE WITH AN EYE
14 TOWARDS WHAT ARE SOME OF OUR OBJECTIVES THAT WE'RE
15 TRYING TO ACHIEVE IN DEVELOPING SUSTAINABLE
MARKETS

16 AND WHERE DO WE WANT TO MOVE FORWARD. SO ALL OF A
17 SUDDEN, LOOKING AT C&D ORGANICS BECOMES MORE
18 CLEARLY UNDERSTOOD AS OPPOSED TO BIOSOLIDS OR SOME
19 OF THE OTHER THINGS THAT MIGHT BE FURTHER DOWN THE
20 LIST.

21 SO WE'VE ALREADY BEGUN A CULTURE
HERE

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22 OF TRYING TO LOOK AT PROGRAM ACTIVITY IN ONE
23 DIVISION AS IT RELATES TO NEEDS AND OBJECTIVES IN
24 OTHERS AND THEN DRAW ON STAFF FROM THE VARIOUS
25 DIVISIONS TO DO THAT.

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1 WHAT THIS MODEL PROPOSES IS AN
2 ATTEMPT TO, IF YOU WILL, ALMOST INSTITUTIONALIZE
3 THAT APPROACH TO MORE FORMALIZE IT AND LEND SOME
4 STRUCTURE AROUND IT WITH MUCH MORE ACCOUNTABILITY
5 ON THE PERFORMANCE SIDE WITH ONGOING PERFORMANCE
6 REPORTING TO THE BOARD ON HOW WE'RE DOING ON SOME
7 OF THOSE INITIATIVES.

8 I THINK THE MODEL, AS KEITH SAID,
9 WHILE SOMEWHAT THEORETICAL OR REALLY A MODEL FOR
10 DISCUSSION, WILL BECOME A LITTLE BIT MORE CLEAR AS
11 WE START TO TALK ABOUT SOME OF THE PRIORITY AREAS
12 WE AS EXECUTIVE STAFF HAVE SUGGESTED THAT THE BOARD
13 CONSIDER FOR THE BOARD IMPLEMENTATION CIRCLE WHICH
14 YOU SEE HIGHLIGHTED ON THE SCREEN.

15 LET ME TRY TO DO THAT NOW. AND
16 AGAIN, USING THE MODEL THAT KEITH DESCRIBED, WE'D
17 LIKE TO RECOMMEND A FEW KEY PRIORITY AREAS THAT
18 WOULD BE PLACED ON THE MODEL IN THE AREA HIGH-
19 LIGHTED ON THE SCREEN. I'D LIKE TO GIVE YOU OUR
20 RECOMMENDATIONS FOR THE PRIORITY AREAS AND ASK THAT
21 MEMBERS OF EXECUTIVE STAFF DISCUSS IN MORE DETAIL
22 WHAT THEY ARE AND WHY THEY CHOSE THEM, THE CRITERIA
23 BEHIND THEM A BIT.

24 THE PRIORITY AREAS THAT WE HAVE

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25 RECOGNIZED THROUGH OUR DELIBERATIONS IS, AGAIN,
39

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1 BASED ON A GOAL 1 IN THE PROGRAM EVALUATION WORK
2 AND OUR EXAMINATION OF THE VARIOUS POLICY
3 INITIATIVES AT THE BOARD, WE SEE THESE FOUR AREAS
4 FOR PRIORITY FOCUS. NO. 1, FOCUSED REDUCTIONS IN
5 THE ORGANICS AREA, FOCUSED REDUCTIONS IN
6 CONSTRUCTION AND DEMOLITION WASTE, IMPROVED LEA
7 PERFORMANCE, AND IMPROVED LOCAL GOVERNMENT
8 PERFORMANCE IN THE DIVERSION AREA.

9 LET ME START FIRST AND TRY TO GET
10 MORE SPECIFIC HERE NOW ON HOW THIS WOULD ACTUALLY
11 WORK A LITTLE BIT MORE BY CALLING ON CAREN TO SAY
12 MORE ABOUT THE FIRST TWO PRIORITIES ON THE LIST.

13 MS. TRGOVCICH: IF IT WORKS FOR YOU, WHAT
14 I'D LIKE TO DO IS DISCUSS THEM BOTH SOMEWHAT IN
15 TANDEM SINCE, AS ELEMENTS OF THE WASTESTREAM, WHAT
16 WE SAY BOTH THROUGH THE DEVELOPMENT OF THE BOARD'S
17 1993 MARKET DEVELOPMENT PLAN, AS WELL AS THE
18 SUBSEQUENT 1996 UPDATE THROUGH THE 50-PERCENT
19 UNDERTAKEN BY THE BOARD AND THROUGH THE DEVELOPMENT
20 OF THE BOARD'S STRATEGIC PLAN, WE SAW THESE KEY
21 AREAS COME FORWARD IN EACH OF THOSE VENUES. SO I
22 WANT TO DISCUSS BOTH OF THESE SOMEWHAT TOGETHER AND
23 TRY TO DESCRIBE FOR YOU THE DIFFERENCE HERE, WHY
24 AND HOW WE WOULD BE LOOKING AT THIS SOMEWHAT

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25 DIFFERENTLY.

40

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1 TO GO BACK TO THE PREMISE OF THE
2 MARKET DEVELOPMENT PLAN AND THE 50-PERCENT
3 INITIATIVE IN TERMS OF WHAT WE WERE LOOKING FOR,
4 HOW WE WERE ATTEMPTING TO IDENTIFY OUR PRIMARY
5 TARGETS, WE WERE LOOKING FIRST AND FOREMOST AT THE
6 RELATIVE CONTRIBUTION TOWARDS ACHIEVING 50
7 PERCENT. AS EACH OF YOU KNOW, AND THERE HAVE
8 PROBABLY BEEN MANY OPPORTUNITIES FOR YOU TO GO OUT
9 AND SPEAK ON THESE TOPICS, BOTH OF THESE TWO LARGE
10 WASTESTREAM CATEGORIES COMPRISE A SIGNIFICANT, IF
11 NOT MAJORITY, PERCENTAGE OF THE WASTESTREAM.

12 WE ARE LOOKING AT LARGE QUANTITIES IN
13 TERMS OF TONNAGE MOVING INTO THE LANDFILLS, AND WE
14 ARE LOOKING AT A TURNAROUND AND MOVEMENT OF THESE
15 MATERIALS BEING DIVERTED AWAY FROM TRADITIONAL
16 LANDFILLING AND INTO OTHER MARKET DEVELOPMENT
17 OPPORTUNITIES.

18 BOARD MEMBER CHESBRO: CAREN, COULD I ASK
19 WHAT KIND OF STATISTICAL ANALYSIS WE ACTUALLY DID
20 TO ARRIVE AT THAT?

21 MS. TRGOVCICH: WHAT WE DID WAS WE LOOKED
22 AT PRIMARILY THE INFORMATION THAT WAS GATHERED
23 THROUGH THE INITIAL MARKET DEVELOPMENT PLAN AND

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24 50-PERCENT INITIATIVE, AND THEN WHAT WE DID WAS
25 BEGIN CORRELATING THAT TO THE UPDATED INFORMATION

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1 THAT IS COMING IN THROUGH THE DIVERSION PLANNING
2 AND LOCAL ASSISTANCE DIVISION THROUGH THE REPORTS
3 THAT THEY ARE RECEIVING.

4 JUDY AND I HAVE BEEN TALKING AND
5 CONTINUING TO BE ABLE TO -- TRYING TO BRING OUR
6 STAFFS TOGETHER TO REFINE THOSE NUMBERS. YOU'RE
7 WELL AWARE THERE ARE DIFFERENCES IN THE NUMBERS.
8 THE MARKET DEVELOPMENT PLAN IDENTIFIES ORGANICS,
9 FOR EXAMPLE, AS APPROXIMATELY 40 PERCENT OF THE
10 WASTESTREAM, THE ORGANIC FRACTION OF THE
11 WASTESTREAM. WE ARE SEEING, THROUGH THE UPDATES IN
12 THE NUMBERS COMING IN THROUGH DPLA, WE ARE SEEING
13 SOME MODIFICATIONS TO THOSE NUMBERS, AND WE ARE
14 SEEING CHANGES IN THE PERCENTAGE THAT IS ACTUALLY
15 BEING DIVERTED.

16 BOARD MEMBER CHESBRO: ARE YOU INCLUDING
17 PAPER WHEN YOU SAY 40 PERCENT?

18 MS. TRGOVCICH: NO. WELL, IN TERMS OF THE
19 ORGANIC FRACTION, THAT IS DISCUSSED IN THERE. IN
20 TERMS OF THIS PRIORITY, WE ARE NOT -- WE HAVE NOT
21 INCLUDED PAPER, AS YOU WILL NOTICE. WE LISTED
22 ORGANICS, FOCUSED REDUCTION, AND FOCUSED REDUCTION
23 IN C&D. WE ARE PROPOSING -- AND I'M KIND OF MOVING

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24 AHEAD, BUT I WANT TO RESPOND TO YOUR QUESTION --
25 THAT THE PAPER CATEGORY PRIORITY MATERIAL WOULD BE

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1 IN THE ANALYSIS AND DEVELOPMENT PHASE, NOT
2 IMMEDIATELY BROUGHT FORWARD AS A PRIORITY BECAUSE
3 AT THE DIRECTION OF THE MARKET DEVELOPMENT
4 COMMITTEE, WE HAVE BEGUN TO UNDERTAKE AN ASSESSMENT
5 OF WHY IS THE UTILIZATION RATE FALLING? WHAT ARE
6 SOME POSSIBLE APPROACHES TO ADDRESS THAT? SO WE'RE
7 NOT QUITE READY, WE DON'T QUITE KNOW YET HOW WE
8 WOULD BE APPROACHING THAT ASPECT OF THE WASTE-
9 STREAM.

10 BOARD MEMBER CHESBRO: I COULD GET INTO
11 THIS IN GREATER DETAIL, AND YOU PROBABLY DON'T WANT
12 ME TO BECAUSE YOU HAVE A PRESENTATION TO MAKE, BUT
13 I HAVE VARIOUS BOARD NUMBERS IN FRONT OF ME WHICH
14 INDICATE THAT IT'S A LOT MORE COMPLICATED THAN JUST
15 SAYING ORGANICS AND C&D SHOULD BE THE FOCUS. FOR
16 EXAMPLE, OF THE COMMERCIAL WASTESTREAM, I SHOW
17 TOTAL CONSTRUCTION AND DEMOLITION WASTE AS 3
18 PERCENT OF THE WASTESTREAM. PAPER IS A HUGE
19 FRACTION. OF THE COMMERCIAL WASTESTREAM, PLASTIC
20 IS 10 PERCENT, AND TOTAL PLASTICS COMBINED.

21 AND SO I JUST WANT TO THROW OUT A
22 CAUTIONARY NOTE, THAT WE NOT IN THIS PROCESS OF
23 SAYING FOCUS ON THE EASY SOLUTIONS, THAT WE NOT

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24 JUMP TO CONCLUSIONS THAT THERE ARE EASY SOLUTIONS ,
25 THAT THERE'S A LOT OF FINE GRADATIONS HERE

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1 STATISTICALLY. THAT'S ONE POINT.

2 THE SECOND POINT, OF COURSE, IS, AND
3 I MADE IT WHEN I MET WITH ALL THE EXECUTIVE STAFF,
4 IS THAT IT'S VERY IMPORTANT TO REMEMBER THAT --
5 YOU'VE HEARD ME SAY THIS OVER AND OVER AGAIN, BUT
6 I'M GOING TO KEEP SAYING IT -- THE -- WHILE WE'RE
7 ALL FOCUSED ON A STATEWIDE ACHIEVEMENT OF 50
8 PERCENT, THE MANDATE IS THAT JURISDICTION BY
9 JURISDICTION WE ACHIEVE 50 PERCENT, SO WE NEED TO
10 CONTINUE TO REMEMBER THAT THE PRIORITY MATERIALS BY
11 WAY OF GOAL NO. 2, SUPPORT LOCAL JURISDICTIONS, IS
12 WHAT ARE THEIR MATERIALS THAT THEY'VE IDENTIFIED IN
13 THEIR SOURCE REDUCTION AND RECYCLING ELEMENTS FOR
14 GETTING TO 50 PERCENT. AND THAT'S -- YOU KNOW, IN
15 TERMS OF THE ACTUAL LEGAL MANDATE THAT THE
16 LEGISLATURE HAS GIVEN US, THAT IS OUR RESPONSIBILITY.
17 BILITY.

18 MS. TRGOVCICH: AND I THINK WE CERTAINLY
19 AGREE WITH THAT. AND MAYBE I'LL RESPOND IN A
20 COUPLE OF WAYS. FIRST, THE REASON WE SAY FOCUSED
21 REDUCTION IS BECAUSE WE FEEL THAT WE NEED TO TARGET
22 OUR EFFORTS. A LOT OF THE MARKET DEVELOPMENT PLAN
23 FOCUSES ON THE END USE OF THE ORGANIC FRACTION OF

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24 THE WASTESTREAM, LOOKING AT IN THE LIGHT OF BEING A

25 COMPOSTABLE MATERIAL AND BEING ABLE TO MOVE THAT

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1 INTO THE MARKETPLACE.

2 BOARD MEMBER CHESBRO: IT'S HARD TO
3 QUESTION THAT ONE. THAT ONE'S PRETTY CLEAR, CLEAR
4 THAT IT'S A VERY HIGH PRIORITY AND HAS GOT TO BE.

5 MS. TRGOVCICH: RIGHT. AND WHAT WE WOULD
6 WANT TO LOOK AT THERE IN BRINGING THIS CROSS-
7 FUNCTIONAL TEAM TOGETHER IS LOOK AT DO WE WANT TO
8 TARGET GENERATION SOURCES THERE. SO WE'RE LOOKING
9 AT BOTH THE USE ON THE BACK END AS WELL AS THE
10 FRONT-END GENERATION POINT.

11 IN TERMS OF THE C&D AREA, THAT WORK
12 GROUP WOULD NEED TO LOOK IN A CROSS-FUNCTIONAL WAY
13 AT THE CATEGORY OF C&D AND BE ABLE TO COME TO
THAT,

14 YOU KNOW, RECOMMENDATION AS WELL. WHAT ARE THE
15 SPECIFIC AREAS THAT WE WANT TO FOCUS IN.

16 I DON'T THINK IT'S A MATTER OF WHAT
17 ARE THE EASY THINGS TO GET TO, BUT MAYBE I'LL COME
18 BACK TO THE CRITERIA. WE'RE LOOKING BOTH IN TERMS
19 OF A PERCENTAGE OF THE WASTESTREAM THAT IT
20 COMPRISES, RECOGNIZING THAT A FOCUSED DIRECTION
21 WOULD BE TARGETING A SMALLER FRACTION OF THE
22 WASTESTREAM. WE'RE LOOKING AT COMMODITIES THAT

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MAY

23 HAVE SPECIAL POTENTIAL, SPECIAL REQUIREMENTS THAT
24 WE WANT TO BE ABLE TO ASSIST IN THE DEVELOPMENT OF
25 HANDLING PRACTICES FOR. WE'RE LOOKING AT THE

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1 ABILITY TO BE ABLE TO CREATE OR ENHANCE MARKETS.

2 THIS SHOULD ALL SOUND VERY FAMILIAR
3 TO YOU BECAUSE THESE WERE YOUR WORDS IN SELECTING
4 THESE PRIORITY MATERIALS, AND THEY'RE THE SAME
5 WORDS THAT WE HEARD.

6 BOARD MEMBER RELIS: AMAZING HOW QUICK YOU
7 FORGET.

8 MS. TRGOVCICH: THE SAME WORDS THAT YOU
9 HEARD THROUGH THE 50-PERCENT INITIATIVE, AS WELL AS
10 THROUGH THE DEVELOPMENT OF THE STRATEGIC PLAN. AND
11 WE'RE --

12 BOARD MEMBER CHESBRO: I SAID THOSE
13 THINGS, BUT I ALSO SAID WE'RE NOT THROWING ANYTHING
14 OVERBOARD. I'LL CONTINUE TO SAY THAT.

15 MS. TRGOVCICH: CORRECT. I DON'T THINK
16 NECESSARILY -- WHAT WE'RE LOOKING AT HERE IS AN
17 ABILITY TO PRIORITIZE. I THINK WHAT RALPH SAID
18 EARLIER AND WHAT WE'RE COMING FORWARD TO YOU IN
19 SAYING AND WHAT KEITH SAID IS WITH A HUNDRED ONE
20 PROGRAMS AND 330 STAFF TO IMPLEMENT THOSE PROGRAMS,
21 THAT MAKES US VERY THIN. WHAT WE'RE LOOKING AT IS
22 A WAY TO PRIORITIZE OUR EFFORTS AND REALLY ACHIEVE
23 SOME REAL RESULTS.

24 BOARD MEMBER CHESBRO: WHEN I SAID

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25 ANYTHING OVERBOARD, I MEANT MATERIAL TYPES. I
46

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1 SHOULD HAVE BEEN MORE SPECIFIC.

2 MS. TRGOVCICH: I HAD A FEW IN MIND.

3 BOARD MEMBER CHESBRO: I'M SURE YOU DO,
4 BUT TELL IT TO THE JURISDICTION THAT HAS MADE THAT
5 THE HIGHEST PRIORITY AND WE APPROVED THEIR SRRE
6 WITH THAT MATERIAL IN IT.

7 MS. TRGOVCICH: ABSOLUTELY. SO ANYWAY, SO
8 WE WERE LOOKING AT THOSE CRITERIA, AND THOSE WERE
9 YOUR WORDS IN TERMS OF IMPLEMENTING THIS.

10 IN TERMS OF BEING ABLE TO LOOK AT A
11 TARGETED ACHIEVEMENT, WHAT WE WOULD BE ASKING THE
12 WORK GROUPS TO DO IS TO LOOK AT THE VARIOUS
13 DOCUMENTS THAT THE BOARD HAS ADOPTED, TO WORK WITH
14 THE PLANNING DOCUMENTS THAT HAVE COME IN, AND SAY
15 WHERE HAVE WE COME TO DATE? WE TARGETED A 75-
16 PERCENT ORGANICS DIVERSION RATE IN TERMS OF THE
17 COMPOSTABLE FRACTION, SO HOW CLOSE ARE WE THERE.
18 WHAT MORE NEEDS TO BE DONE IN TERMS OF BEING ABLE
19 TO ACHIEVE AN ACTUAL PERCENTAGE DIVERSION RATE THAT
20 WE WOULD BE LOOKING AT TARGETING. AND THAT MAY TIE
21 BACK AS WELL TO THE POINTS OF GENERATION. SO WE
22 MAY LIKELY SEE THIS FOCUSED WORK GROUP TIEING BACK
23 TO THE GENERATION POINT TARGETED DIVERSION LEVELS.

24 SO WE MAY WANT TO BE ABLE TO GET THAT

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25 SPECIFIC, AND THE PLAN GOES INTO THAT. THE MARKET
47

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1 DEVELOPMENT PLAN AND SUBSEQUENT DOCUMENTS TIES BACK
2 TO THE YARD WASTE FRACTION OF THE WASTESTREAM AND
3 OTHER ELEMENTS, THE FOOD FRACTION OF THE WASTE-
4 STREAM. AND SO WE WOULD BE LOOKING AT BUILDING ON
5 THAT.

6 BOARD MEMBER RELIS: WOULD IT BE FAIR TO
7 CHARACTERIZE, THOUGH, MR. CHESBRO RAISED AND PASSED
8 OUT SOME RECENT INFORMATION. I HAVEN'T GOT THIS
9 BEFORE ME AND I'M HOPING WE CAN GET A COPY MADE.
10 BUT BETWEEN YOU AND JUDY, YOU'VE HAD, I ASSUME,
11 SIGNIFICANT DISCUSSION OVER WHAT JUDY'S SHOP IS
12 SEEING IN THE WAY OF WHAT ORGANICS, JUST SAY, WOULD
13 MEAN IN TERMS OF IDENTIFIED PROGRAMS AND THE MARKET
14 DIMENSION OF THAT SO THAT WE WILL HAVE SOME
15 STATISTICAL OR PERCENTILE DISCUSSION OF THESE
16 PRIORITIES. IN OTHER WORDS, ORGANICS, HERE'S WHAT
17 WE'RE SEEING IN THE FIELD, HERE'S WHAT LOCAL
18 ASSISTANCE PLANS CALL FOR, HERE'S WHAT WE'RE SEEING
19 IN C&D, HERE'S WHAT -- ARE WE GOING TO GET THAT
20 KIND OF BACKUP?

21 MS. FRIEDMAN: IF I MAY, I'D LIKE TO SPEAK
22 TO THAT. CAREN AND I AND OUR STAFFS HAVE BEEN
23 TALKING VERY FREQUENTLY RECENTLY BECAUSE WE DO HAVE

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24 SOME MORE UP-TO-DATE DATA. AS YOU KNOW, THE BOARD

25 INVESTED SOME ENERGY AND RESOURCES IN DEVELOPING A

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1 WASTE CHARACTERIZATION METHOD AND DATABASE, AND WE
2 HAVE THE RESULTS OF THAT, AS WELL AS THE ANNUAL
3 REPORT INFORMATION COMING IN IN OUR DISPOSAL
4 REPORTING TONNAGES.

5 WHEN THE MARKET DEVELOPMENT PLAN WAS
6 BEING DEVELOPED EARLY ON AND EVEN IN UPDATES, IT
7 WAS ALWAYS ENVISIONED THAT WE WOULD UPDATE THOSE
8 NUMBERS AND THOSE TARGETS DEPENDING ON THE REAL
9 DATA THAT WE GET IN OVER TIME. AND WE'RE AT A
10 POINT WHERE WE'RE GOING TO BE WORKING ON LOOKING AT
11 OUR ORIGINAL ASSUMPTIONS IN THE PLAN AND LOOK TO
12 SEE HOW OUR NUMBERS ARE TYING OUT. BUT THE IDEA
13 THAT CAREN ALLUDED TO IS THAT WE WOULD BE WORKING
14 TOGETHER, AND WE ARE WORKING TOGETHER TO LOOK AT
15 WHERE OUR GENERATORS ARE AND TARGET THOSE LARGE
16 GENERATORS, AND IT WOULD LINK BETWEEN TARGETING THE
17 APPROPRIATE MATERIAL TYPES WHERE THEY'RE LOCATED
18 AND BY WHAT SECTOR.

19 MS. TRGOVCICH: I THINK WHAT YOU ARE GOING
20 TO SEE AS SOMEWHAT DIFFERENT HERE IS THAT CURRENTLY
21 WITH THE MARKET DEVELOPMENT PLAN, THE MARKET --
22 WASTE PREVENTION AND MARKET DEVELOPMENT DIVISION
23 HAS THE LEAD FOR IMPLEMENTING THE PLAN. AND SO

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24 WHAT -- WE HAVE PRINCIPALLY OUR STAFF FROM THE
25 DIVISION THAT ARE SUPPORTING THE ACTIVITIES THAT

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1 CAME OUT OF THE PLAN, AND WE HAVE A NUMBER OF
2 ACTIVITIES THAT THEN HAVE STAFF ASSIGNED TO THEM IN
3 OTHER DIVISIONS, IN DIVERSION, PLANNING, AND LOCAL
4 ASSISTANCE, IN PERMITTING AND ENFORCEMENT DIVISION.
5 AND THEY'RE MORE CONSIDERED SUPPORT IN TERMS OF
6 THOSE ACTIVITIES.

7 WHAT WE'RE LOOKING AT HERE IS A
8 CHANGE. IT WOULD NO LONGER BE THE DIVISION THAT
9 HAS THE LEAD; IT WOULD BE A SINGLE EXECUTIVE STAFF
10 MEMBER. IT MAY BE DOROTHY; IT MAY BE JUDY; IT MAY
11 BE MYSELF; IT MAY BE JOHN WHO WOULD HAVE THE LEAD
12 STAFF IN THE VARIOUS DIVISIONS WORKING TOGETHER.
13 AND SO YOU WILL SEE FAR MORE -- IT WILL BECOME AN
14 INTEGRAL ELEMENT OF EACH OF THE DIVISIONS. SO IT
15 WOULD NO LONGER BE A CENTRAL LEAD IN A SINGLE
16 DIVISION, BUT IT WOULD BE ALL OF THE DIVISIONS
17 WORKING TOGETHER. SO THAT KIND OF COORDINATION
18 WILL BE A NATURAL PART OF THE PROCESS; WHEREAS, NOW
19 WE SEEK OUT THAT INFORMATION. AND WHEN WE HIT A
20 ROADBLOCK, WHEN WE COME INTO A SETTING LIKE THIS
21 AND WE HAVE ONE NUMBER FROM THE MARKETS DIVISION
22 AND JUDY HAS A NUMBER, AND YOU ALL TELL US GO BACK
23 AND FIX THAT, WHAT'S THE REAL NUMBER, THAT WILL BE

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24 A PART OF WHAT WE DO ON A DAY-TO-DAY BASIS.

25 MR. CHANDLER: LET ME JUST KEEP MOVING

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1 THROUGH THESE SO WE CAN HAVE A LITTLE BIT MORE
2 DISCUSSION ON THE CRITERIA AND THE BACKGROUND AS TO
3 HOW WE SELECTED SOME OF THESE PRIORITY AREAS AND
4 MOVE TO CALL ON DOROTHY NEXT TO DISCUSS IMPROVED
5 LEA PERFORMANCE.

6 MS. RICE: THANK YOU. AND GOOD MORNING,
7 BOARD MEMBERS, STAFF, AUDIENCE. IN LOOKING AT GOAL
8 3 PRINCIPALLY WITHIN YOUR STRATEGIC PLAN, OUR
9 STRATEGIC PLAN, WE THOUGHT, AS EXECUTIVE STAFF,
10 ABOUT WHAT THAT GOAL SAYS, THE DESIRE TO ENSURE
11 COMPLIANCE WITH WASTE MANAGEMENT STATUTES AND
12 REGULATIONS WHILE MAXIMIZING PROTECTION OF PUBLIC
13 HEALTH, SAFETY, AND THE ENVIRONMENT, AND ALSO AT
14 THE OBJECTIVES AND STRATEGIES UNDER THAT GOAL WHICH
15 SPEAK TO SUCH THINGS AS PREVENTING HARMFUL
16 POLLUTION, IMPROVING OUR WASTE MANAGEMENT
17 INFRASTRUCTURE, THE FACILITIES AND SERVICES THAT
18 ARE OFFERED, CLEANING UP PAST PROBLEMS THAT EXIST
19 IN CALIFORNIA, ETC., THOSE KINDS OF THEMES
20 THROUGHOUT THE BOARD PROGRAMS.

21 IN LOOKING AT THAT, IT'S CERTAINLY
22 NOTABLE THAT WITH A FEW EXCEPTIONS, AND THERE ARE
23 SOME EXCEPTIONS, THE MAJORITY OF ACTIONS CAN EFFECT

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24 IMPROVEMENT AS REGARDS THIS GOAL ARE UNDERTAKEN BY
25 THE LEA, THE LOCAL ENFORCEMENT AGENCY, NOT BOARD

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1 STAFF DIRECTLY.

2 SIMILAR TO DIVERSION ASSISTANCE AND
3 THE EFFORTS THAT WE HAVE TO SUPPORT THOSE
4 ACTIVITIES THAT JUDY WILL SPEAK TO IN A MOMENT, WE
5 DO NOT IN MOST CASES DO THE PROGRAMS THAT RESULT IN
6 THE ENVIRONMENTAL PROTECTION OR THE THINGS THAT WE
7 WANT TO SEE HAPPEN. WE ASSIST, WE OVERSEE, WE
8 REVIEW, WE EVALUATE, WE GRADE, WE CERTIFY, WE
9 TRAIN, AND IN MANY IMPORTANT INSTANCES WE APPROVE
10 THE PRODUCT OF THE LEA BY STAFF LEVEL OR AT BOARD
11 ACTION.

12 SO IN LOOKING AT THAT, WE DISCUSSED
13 THAT THE MOST EFFECTIVE WAY FOR THE BOARD TO
14 ACHIEVE THE GOAL OF ENVIRONMENTAL PROTECTION,
15 PUBLIC HEALTH AND SAFETY, ETC., IS THROUGH THE LEA.
16 AND THIS IS HOW WE ARRIVED AT THE PRIORITY FOCUS
17 AREA OF IMPROVE LEA PERFORMANCE AS ONE WAY TO
18 CAPTURE HOW BEST WE MIGHT EFFECT THAT GOAL, THOSE
19 OUTCOMES THAT WE WANT TO SEE.

20 SOME CRITERIA THAT WE THOUGHT ABOUT
21 IN ARRIVING AT THAT, OTHER THAN KIND OF THE GENERAL
22 TIRADE THAT I JUST WENT THROUGH, IS THINKING ABOUT
23 HOW CAN WE MOST DIRECTLY EFFECT IMPROVEMENTS IN THE

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24 ENVIRONMENT THROUGH OUR EFFORTS? HOW CAN WE MOST

25 DIRECTLY EFFECT IMPROVEMENTS IN THE WASTE

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1 MANAGEMENT INFRASTRUCTURE, THE QUALITY OF THE
2 FACILITIES; IN OTHER WORDS, THE TYPES OF FACILITIES
3 THAT WE WANT TO SEE. THROUGH WHAT EFFORTS COULD WE
4 MOST LIKELY SEE DEMONSTRABLE IMPROVEMENTS IN
5 CALIFORNIA? AND THROUGH WHAT EFFORTS COULD WE SEE
6 THE DEMONSTRABLE IMPROVEMENT IN A REASONABLY SHORT
7 TIME FRAME, SOMETHING THAT WE COULD SEE WITHIN THE
8 NEXT FEW YEARS?

9 IN LOOKING AT ALL OF THOSE FACTORS,
10 WE ARRIVED AT THE PRIORITY AREA OF IMPROVING LEA
11 PERFORMANCE AND DO FEEL THAT BY FOCUSING THE
12 EFFORTS OF SOME OF THE BOARD THAT LOOK AT THOSE
13 THINGS AT THAT AREA, WE COULD ACHIEVE RESULTS THAT
14 WOULD DIRECTLY EFFECT ACHIEVEMENT OF THE GOAL THAT
15 YOU'VE LAID OUT IN GOAL 3 OF YOUR STRATEGIC PLAN.

16 WHAT KINDS OF THINGS WOULD COME UNDER
17 A FOCUS ON SUCH A PRIORITY? WE SEE SUCH THINGS AS
18 ENHANCED TRAINING, TECHNICAL ASSISTANCE, IMPROVED
19 DEVELOPMENT OF POLICY, PROCEDURES, AND GETTING OUT
20 THE WORD ON THOSE POLICIES AND PROCEDURES,
21 RETOOLING OUR EVALUATION PROCESS OF THE LEA SO THAT
22 IT IS FAIR, BUT FIRM AND GETS RESULTS, IMPROVEMENT
23 OF OUR INFORMATION SERVICES AT THE BOARD SO THAT WE

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24 HAVE GOOD INFORMATION ON WHAT THE FACILITIES ARE,
25 THE STATUS OF INSPECTIONS, ENFORCEMENT ACTIONS,

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1 ETC., AND A VERY FOCUSED REVIEW OF THE WORK OF THE
2 LEA TO ASSIST THEM IN IMPROVING AND IN SUPPORTING
3 THE DECISION MAKING OF THIS BOARD.

4 AND I'M CERTAINLY GUIDED AND ASSISTED
5 BY A LOT OF THE DISCUSSION WE HAD YESTERDAY ON
6 IMPLEMENTATION OF THE TITLE 27 REGULATIONS AND AB
7 1220, WHAT THAT MEANS TO THIS BOARD AND THE ROLE
8 THAT THE LEA PLAYS IN THAT, AND TAKE YOUR WORDS,
9 ALL OF YOU, VERY MUCH TO HEART ON HOW IMPORTANT IT
10 IS THAT WE IMPROVE LEA PERFORMANCE TO ACHIEVE BOARD
11 AND STATE OBJECTIVES FOR OUR PROGRAMS.

12 WHAT ARE SOME OF THE THINGS THAT I
13 WOULD EXPECT TO SEE, THAT WE WOULD EXPECT TO SEE
14 BY FOCUSING ON IMPROVING LEA PERFORMANCE AS A
15 PRIORITY? ULTIMATELY IMPROVEMENT IN THE QUALITY OF
16 PERMIT SUBMITTALS THAT YOU SEE BEFORE YOU MONTH
17 AFTER MONTH WITH, I ASSUME, AN ULTIMATE GOAL OF
18 HAVING EVERY PERMIT ACCURATELY REFLECT OPERATIONS
19 AT THAT FACILITY AS A MORE LONG-TERM GOAL, UPDATING
20 ALL THE OLD PERMITS, AND ON A CONTINUAL BASIS
21 KEEPING PERMITS UP-TO-DATE AND ACCURATE. AN
22 INCREASE IN APPROPRIATE ENFORCEMENT AT THE LOCAL
23 LEVEL WITH A GOAL THAT VIOLATIONS BE MINIMIZED,

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24 REDUCED, ELIMINATED, AND THAT WE SEE
IMPROVEMENTS

25 ON THE INVENTORY, WHICH, OF COURSE, WE'RE
ALREADY

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1 SEEING.

2 LEA'S GETTING OFF CORRECTIVE WORK
3 PLANS THROUGH THE EVALUATION PROCESS, ACTUALLY
4 SEEING IMPROVEMENTS IN THEIR PERFORMANCE AS A
5 RESULT OF OUR DAY-TO-DAY EFFORTS TO PROVIDE THE
6 TOOLS THAT THEY NEED TO IMPROVE AND AN INCREASE AND
7 AN IMPROVEMENT IN OUR ABILITY TO PERMIT AND GET
8 ON-LINE DIVERSION FACILITIES TO ASSIST IN
9 ACHIEVEMENT OF THE 50-PERCENT MANDATE AND PERHAPS
10 JUST AS IMPORTANT AS GETTING THE PERMITS ISSUED
11 THROUGH OUR EFFORTS AND THOSE OF THE LEA, HAVING A
12 REGULATORY STRUCTURE AND CLARITY ABOUT THAT
13 STRUCTURE THAT ENABLES THOSE FACILITIES TO
14 OPTIMALLY SUCCEED.

15 WE'VE HAD A NUMBER OF ISSUES COME UP
16 REGARDING CHIPPING AND GRINDING OPERATIONS, COMPOST
17 FACILITIES WHERE THE REGULATORY FRAMEWORK MAY NOT
18 ULTIMATELY SUPPORT THE SUCCESS OF THOSE OPERATIONS.

19 WE NEED TO FIGURE OUT WHY, WITH THE
20 LEA AS A PARTNER, AND HELP SOLVE THOSE PROBLEMS.
21 SO THAT IS SOME OF THE THINKING THAT FOR US WENT
22 INTO WHY WE PLACED IMPROVING LEA PERFORMANCE AS A
23 PRIORITY FOCUS FOR ACHIEVEMENT OF YOUR STRATEGIES

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24 UNDER THE STRATEGIC PLAN.

25 BOARD MEMBER CHESBRO: MR. CHAIRMAN, MUCH

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1 OF THE DISCUSSION WE'VE BEEN HAVING RECENTLY ABOUT
2 IMPROVING LEA PERFORMANCE AT THE BOARD HAS FOCUSED
3 AROUND THE PERMIT PROCESS IN QUESTION. I JUST
4 WANTED TO SAY, AND I'M GLAD THAT YOU MENTIONED IT,
5 DOROTHY, THAT THE QUESTION OF COMPLIANCE WITH STATE
6 STANDARDS AND ENFORCEMENT PROCESSES ARE EQUALLY AS
7 IMPORTANT IN TERMS OF ACHIEVING THE GOAL. I
8 FREQUENTLY FEEL THAT WE WIND UP FOCUSING ON, WITH
9 THE PERMITS THAT DO COME BEFORE US, AT LEAST THE
10 RENEWAL OR UPDATES, JUST TRYING TO REFLECT THE
11 CONDITIONS THAT EXIST ON THE GROUND AS OPPOSED TO
12 BRINGING THAT PERMIT UP TO STATE STANDARDS.

13 AND SO I THINK FAR MORE IMPORTANT
14 THAN BEING CORRECT IN A TECHNICAL AND PAPERWORK
15 SENSE IS THE ACTUAL CONDITIONS ON THE GROUND. IS
16 THAT FACILITY COMPLYING WITH STATE STANDARDS? AND
17 SO I THINK THAT WHOLE COMPLIANCE SIDE NEEDS AT
18 LEAST AS MUCH FOCUS, EVEN THOUGH WE'VE BEEN
19 SPENDING ALL OUR TIME TALKING ABOUT THE PERMITS
20 THAT COME TO US AND HOW WE DO THAT, I THINK WE
21 REALLY NEED TO MAINTAIN THAT FOCUS. AND I HOPE
22 THAT THE LEA, IMPROVING THE LEA PERFORMANCE
23 PRIORITY HAS THAT BALANCE TO IT, THAT WE GIVE AT

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24 LEAST AS MUCH EFFORT TO THAT BECAUSE THAT
25 ULTIMATELY IS -- AGAIN, GOING BACK TO THE
STRATEGIC

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1 PLAN GOAL, IT'S TO PROTECT THE ENVIRONMENT; IT'S
2 NOT TO HAVE PEOPLE IN COMPLIANCE IN A PAPERWORK
3 SENSE. IT'S TO HAVE THE ENVIRONMENT PROTECTED AND
4 PUBLIC HEALTH AND SAFETY.

5 MS. RICE: TO RESPOND, THAT IS ABSOLUTELY
6 WHAT'S INTENDED. WHEN YOU SAY IMPROVE LEA
7 PERFORMANCE, WE MEAN IMPROVE ALL ASPECTS OF HOW THE
8 LEA PERFORMS THE DUTIES FOR WHICH THEY ARE
9 CERTIFIED. AND PERMITTING IS JUST ONE PIECE. THE
10 INSPECTION AND ENFORCEMENT FUNCTION IS VERY
11 IMPORTANT, ARGUABLY MORE IMPORTANT, SO THERE WAS NO
12 INTENT TO PUT MORE FOCUS ON PERMITS. WE JUST
13 HAPPENED TO HAVE A LENGTHY DISCUSSION ABOUT IT
14 YESTERDAY, BUT NOT TO DEVALUE THE OTHER SIDE OF THE
15 COIN. THANKS.

16 MR. CHANDLER: IF THERE'S NO MORE
17 QUESTIONS FOR DOROTHY, I'D LIKE TO FINALLY CALL ON
18 JUDY TO DISCUSS THE LAST PRIORITY AREA, THAT BEING
19 IMPROVE LOCAL GOVERNMENT PERFORMANCE AND
20 DIVERSION.

21 MS. FRIEDMAN: I THINK I'LL STAND UP TOO.
22 I KNOW YOU WON'T BE ABLE TO SEE ME ANY BETTER,
23 CONSIDERING MY HEIGHT, BUT YOU'LL PROBABLY BE ABLE

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24 TO HEAR ME A LITTLE BIT BETTER.

25 THE NEXT STRATEGY THAT THE EXECUTIVE

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1 STAFF FELT ROSE TO THIS HIGH PRIORITY LEVEL WE CALL
2 IMPROVED LOCAL GOVERNMENT PERFORMANCE AND DIVER-
3 SION. I'M GOING TO BRIEFLY COVER THE FOLLOWING
4 FOUR QUESTIONS. FIRST OF ALL, WHAT IS IMPROVING
5 LOCAL GOVERNMENT PERFORMANCE? I'M GOING TO DEFINE
6 THIS A LITTLE BIT. WHY IS THIS A PRIORITY? WHY WE
7 FELT IT ROSE TO THIS LEVEL AT THIS TIME? AND WHAT
8 WE WOULD EXPECT TO SEE IF THIS HAPPENED? AND WHAT
9 ARE SOME PERFORMANCE MEASURES TO KNOW WE HAVE BEEN
10 SUCCESSFUL IN IMPLEMENTING THE STRATEGY?

11 FIRST, WHAT IS IMPROVING LOCAL
12 GOVERNMENT PERFORMANCE AND DIVERSION? THROUGH THE
13 BOARD PROVIDING APPROPRIATE INCENTIVES, INCLUDING
14 FINANCIAL AND COMPLIANCE OR OVERSIGHT AND
15 ASSISTANCE, SUCH AS THE MULTIDISCIPLINARY TEAM
16 APPROACH FOR ELIMINATING BARRIERS TO THE COLLECTION
17 OF MATERIALS FOR MARKET, THE MAXIMUM NUMBER OF
18 JURISDICTIONS POSSIBLE TO ACHIEVE 50 PERCENT.

19 THEY DO THIS BY SELECTING OPTIONS
20 THAT MAXIMIZE DIVERSION POTENTIAL. THEY SELECT
21 MOST EFFICIENT MEANS OF REACHING THE GOALS, AND
22 THEY DO SO AT THE LOWEST COST POSSIBLE TO ENSURE
23 ECONOMIC SUSTAINABILITY OF THE PROGRAMS.

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24 WHY IS THIS A PRIORITY? WELL, WE'VE
25 HEARD MENTIONED TODAY AND WE KNOW THIS, THAT IN LAW

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1 EVERY JURISDICTION IS REQUIRED TO ACHIEVE 50
2 PERCENT. AND THE BOARD'S ROLE IS AND HAS BEEN TO
3 OVERSEE AND FACILITATE LOCAL PROGRESS IN THIS
4 EFFORT. AND THIS FOCUS ON LOCAL GOVERNMENT
5 PRODUCES RESULTS.

6 YOU ARE ALL AWARE OF THE UPWARD
7 TRENDING GRAPH THAT SHOWS WE'RE AT APPROXIMATELY
8 30-PERCENT DISPOSAL REDUCTION ON A STATEWIDE BASIS.
9 WE HAVE ALSO CALCULATED A HUNDRED 90 JURISDICTIONS
10 ANNUAL REPORT NUMBERS TO DATE, AND 165 OF THEM ARE
11 AT 25 PERCENT OR BETTER. SO WE SEEM TO BE REACHING
12 OUR TARGETS THROUGH A LOCAL GOVERNMENT FOCUS.

13 ALSO, LOCAL GOVERNMENT HAS REQUESTED
14 THIS TO BE A PRIORITY. AS THE BOARD DEVELOPED THE
15 50-PERCENT INITIATIVE, THE STRATEGIC PLAN, AND THE
16 LOCAL ASSISTANCE PLAN, WE HEARD OVER AND OVER FROM
17 LOCAL GOVERNMENTS THAT THEY WANTED A FOCUS ON THEM
18 AS THE ENTITIES RESPONSIBLE FOR ACHIEVING THE
19 MANDATE.

20 BY WORKING THROUGH LOCALS, WE ALSO
21 HAVE A GREATER POTENTIAL TO LEVERAGE OUR FEW
22 RESOURCES. AND I'D LIKE TO STRESS THIS POINT.
23 EVEN IF THE LAW DID NOT REQUIRE EACH LOCAL

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24 GOVERNMENT TO GET TO 50 PERCENT, WE WOULD NEED TO
25 LEVERAGE OUR FEW RESOURCES HERE IN ORDER -- AND

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1 WORK THROUGH OUR LOCAL PARTNERS.

2 WORKING THROUGH LOCAL GOVERNMENTS
3 WILL HELP US PROMOTE COST-EFFECTIVE OPTIONS MINDFUL
4 OF RATEPAYERS' NEEDS. IF WE WANT TO ACHIEVE
5 ECONOMIC SUSTAINABILITY, AND WE HAVE STATED THAT WE
6 DO, WE MUST DO SO WITH AN EYE TOWARDS THE CONSUMER
7 NEEDS, AND THE LOCAL GOVERNMENTS HAVE THE FINGER ON
8 THE PULSE IN THIS AREA.

9 WHAT WOULD WE EXPECT TO SEE IF WE
10 IMPLEMENT THE STRATEGY? MORE LOCAL GOVERNMENT
11 IMPLEMENTING DIVERSION PROGRAMS, MORE EFFECTIVE
12 DIVERSION PROGRAMS SUCH THAT MATERIALS ARE
13 DELIVERED TO VIABLE END USES, MORE REGIONAL
14 COOPERATION AND ECONOMIES OF SCALE, MORE
15 JURISDICTIONS MEETING 50 PERCENT, AND EXPANSION OF
16 THE COLLECTION AND PROCESSING INFRASTRUCTURE, AND
17 MAINTENANCE OF SUFFICIENT LANDFILL CAPACITY.

18 AND WHAT ARE SOME OF THE PERFORMANCE
19 MEASURES TO KNOW WE HAVE BEEN SUCCESSFUL IN
20 IMPLEMENTING THE STRATEGY? AN INCREASE IN THE
21 NUMBER OF DIVERSION PROGRAMS, AN INCREASE IN THE
22 NUMBER OF REGIONAL AGENCY AGREEMENTS, AN INCREASED
23 NUMBER OF JURISDICTIONS MEETING 50 PERCENT, AN

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24 INCREASE IN THE NUMBER OF COLLECTION AND PROCESSING
25 FACILITIES BY JURISDICTION, AND PERHAPS MOST

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1 IMPORTANTLY AN ANNUAL REDUCTION IN THE NUMBER OF
2 TONS DISPOSED BY JURISDICTION.

3 THAT CONCLUDES MY UPDATE ON THIS
4 PARTICULAR STRATEGY.

5 BOARD MEMBER RELIS: JUST OBSERVATION. I
6 THINK ONE OF THE QUESTIONS THAT'S GOING TO BE OF
7 INTEREST TO ME IS, AND WHETHER YOU WILL BE ABLE TO
8 DEVELOP THIS INFORMATION, YOU SAID, WELL, ONE
9 MEASURE WOULD BE THE NUMBER OF, SAY, PROCESSING
10 FACILITIES THAT ARE AVAILABLE. THAT MAY OR MAY NOT
11 BE THE CASE. IN OTHER WORDS, IN CERTAIN AREAS I'M
12 NOT SURE WE NEED MORE PROCESSING FACILITIES. WE
13 NEED MORE COORDINATION OR UTILIZATION OF THE
14 FACILITY TO OPERATE AT A HIGHER OPERATING
15 EFFICIENCY. AND WERE MATERIAL TO BE ABLE TO GO
16 THROUGH THERE, WE WOULD AVOID POSSIBLY THE NEED FOR
17 MORE CAPITALIZATION, WHICH IS THE HEAVY WEIGHT TO
18 CARRY IN AB 939.

19 ONE OF THE QUESTIONS I'VE WONDERED,
20 AND I SURE WISH WE COULD ANSWER THIS QUESTION, IS
21 WHAT CAPACITY WE HAVE IN PLACE TODAY IN CALIFORNIA
22 TO PROCESS HOW MANY TONS. BECAUSE SOMETIMES I
23 THINK WE'RE VERY CLOSE TO HAVING THE CAPACITY TO

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24 REACH 50 PERCENT WERE IT AVAILABLE IN THE
25 COLLECTION SYSTEM. IN OTHER WORDS, THE MRF'S.

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1 THERE ARE CERTAIN COMPOST CAPACITY OR MULCH
2 CAPACITY AND MAYBE WE'RE NOT TALKING SO MUCH ABOUT
3 THAT PHASE OF 939.

4 I HAPPEN TO BELIEVE MUCH OF THE
5 CAPITALIZATION IS IN PLACE, AND WE'RE TALKING MORE
6 ABOUT REFINING AND MAKING BETTER UTILIZATION OF
7 WHAT HAS BEEN BUILT. AND I'M HOPING WE CAN,
8 THROUGH YOUR EFFORTS, HELP PINPOINT ON A REGIONAL
9 BASIS WHERE THOSE CAPACITIES EXIST AND WHAT IT
10 WOULD TAKE TO MOVE MATERIAL THROUGH THEM.

11 MS. FRIEDMAN: IF I MAY, I AGREE. AND I
12 THINK THAT IF -- YOU HEARD ME DESCRIBE REGIONAL
13 COOPERATION. I THINK THAT'S ONE OF THE KEY AREAS
14 THAT WE NEED TO TARGET. WE DISCUSSED THAT IN TERMS
15 OF THE 50-PERCENT INITIATIVE. WE HEARD FROM OUR
16 CONSTITUENTS WITH REGARD TO THAT IN THE LOCAL
17 ASSISTANCE PLAN, IN THE MARKET DEVELOPMENT PLAN,
18 AND ALL OUR OUTREACH EFFORTS, THAT ONE OF THE KEY
19 AREAS THAT WE CAN HELP IN IS FACILITATING REGIONAL
20 COOPERATION BECAUSE I THINK THAT GETS TO THE HEART
21 OF WHAT YOU ARE TALKING ABOUT IS UTILIZING THE
22 INFRASTRUCTURE THAT WE HAVE THERE, SEEING IF THERE
23 IS ANY LACKING INFRASTRUCTURE OBVIOUSLY, BUT THEN

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24 MOST EFFICIENTLY UTILIZATION OF WHAT'S THERE. SO I
25 AGREE .

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1 BOARD MEMBER RELIS: AND THE OTHER PART IS
2 THE STRATEGIC PARTNERING. WE'VE BEEN INVOLVED --
3 MY OFFICE HAS BEEN INVOLVED IN THE LAST SIX MONTHS
4 IN TRYING TO BE OUT IN THE FIELD TRYING TO UNDER-
5 STAND WHAT ARE SOME OF THE STRATEGIC ISSUES, SAY,
6 FACING GREEN WASTE, OR WHY ISN'T IT BEING COLLECTED
7 OR MARKETING AT THE LEVEL THAT IT COULD BE. AND
8 IT'S VERY REVEALING WHEN YOU GET OUT THERE AND
9 YOU'RE INTERACTING. SOME OF IT IS POLITICAL; SOME
10 OF IT IS PRICE SENSITIVE, BUT IT'S VERY SPECIFIC TO
11 A LOCAL JURISDICTION.

12 IT DOES NOT LEND ITSELF TO A
13 BROADBRUSH EFFORT, AND IT WILL ONLY --
14 PARTNERING WILL ONLY BE SIGNIFICANT IF WE CAN
15 IDENTIFY WHAT'S IN IT FOR THE LOCAL JURISDICTION,
16 WHAT'S IN IT FOR THE BOARD, AND THAT EVERYONE FEELS
17 THAT THERE'S SOMETHING TO BE GAINED BY PARTNERING
18 UP.

19 I DO BELIEVE THERE ARE SIGNIFICANT
20 FINANCIAL RESOURCES IN CERTAIN AREAS OF THIS STATE
21 THAT ARE BEING UNDERDEPLOYED; THAT IF BOARD
22 RESOURCES WERE LINKED WITH THE LOCAL RESOURCES, THE
23 MONEY PROBLEM WOULD NOT BE SO -- WHICH APPEARS

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24 SIGNIFICANT, MAY BE LESS SO IN FACT IN TERMS OF
25 INCREASED DIVERSION.

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1 MS. FRIEDMAN: YEAH. I THINK THAT I KNOW,
2 FOR EXAMPLE, JUST YESTERDAY I GOT YET ANOTHER
3 LETTER IN FROM A GROUP OF LOCAL GOVERNMENTS IN A
4 REGION IN CENTRAL CALIFORNIA WHO ARE ASKING FOR
5 SOME BOARD ASSISTANCE IN WORKING WITH THEIR SPECIAL
6 DISTRICTS. EVERY DAY I GET MORE REQUESTS ALONG
7 THESE LINES WHICH ARE SPECIFIC TO THAT GROUP OF
8 JURISDICTIONS OR REGION AND INVOLVE SOMETIMES
9 POLITICAL ISSUES, SOMETIMES ECONOMIC, SOMETIMES
10 WHATEVER, YOU KNOW, BOUNDARIES, POLITICAL
11 BOUNDARIES, WHATEVER, AND THERE'S A REQUEST OF US
12 ON A DAILY BASIS TO SEE WHERE WE CAN FACILITATE
13 SOLUTIONS.

14 BOARD MEMBER RELIS: AND THIS IS WHY I
15 THINK, IF WE GET THIS RIGHT ON STRATEGIC
16 PARTNERING, THE BOARD ITSELF CAN PLAY A MORE -- YOU
17 KNOW, I BELIEVE THAT WE AS BOARD MEMBERS, OUR
18 STAFFS AT THE BOARD, THE EXECUTIVE OFFICE, CAN PLAY
19 A MORE CRITICAL ROLE IN. AS YOU IDENTIFY THESE
20 BARRIERS, THERE MAY BE CERTAIN CASES WHERE BOARD
21 PARTICIPATION, BOARD INVOLVEMENT COULD MAKE A
22 CRITICAL DIFFERENCE IN SOME OF THOSE ENTANGLEMENTS
23 THAT WOULD OTHERWISE PREVENT PROGRESS.

24 MS. FRIEDMAN: ABSOLUTELY.

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25

BOARD MEMBER JONES: I THINK THE KEY TO

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1 THAT, THOUGH, IS FOCUS. I MEAN WHAT WE'RE TALKING
2 ABOUT TODAY IS FOCUSING OUR EFFORTS. I THINK
3 I'M -- I'VE BEEN SILENT ALL MORNING LISTENING TO
4 EVERYBODY TALK. AND I THINK THAT PEOPLE -- AND I
5 THINK PEOPLE DO UNDERSTAND, BUT WE DON'T RECYCLE
6 ANYTHING HERE. I MEAN WE'RE NOT OUT DOING THIS
7 STUFF. WE'RE PROVIDING THE INCENTIVE, PROVIDING
8 THE MOTIVATION. WE DON'T DO THE WORK.

9 AND I THINK WHAT WE HAVE TO UNDER-
10 STAND IS THAT -- YOU KNOW, I HEARD THE IDEA OF
11 REGIONALIZED STUFF. THERE ARE REGIONALIZED THINGS,
12 BUT WE NEED TO UNDERSTAND, AND THAT'S WHY I LIKE
13 THE IDEA OF A TEAM FOCUS, WHAT ALL THE PIECES ARE
14 THAT NEED TO BE IN PLACE. DO WE NEED PERMITTING
15 RELIEF? DO WE NEED -- DO WE NEED TO ACCELERATE
16 PERMITS? DO WE NEED TO DO THOSE TYPES OF THINGS?

17 THE OTHER THING IS, YOU KNOW, I'M
18 LOOKING AT ESTIMATED STATEWIDE DISPOSAL FOR
19 COMMERCIAL SECTOR BY MATERIAL TYPES. DEFINE THAT
20 FOR ME. DOES THAT MEAN THAT IT CAME IN IN A
21 FRANCHISE TRUCK? DOES IT MEAN THAT IT CAME IN IN A
22 TRUCK THAT'S OVER TWO TONS? DOES IT MEAN -- I
23 DON'T KNOW. GIVE ME A HINT. BECAUSE THIS IS A --
24 THIS CAN BE INTERPRETED BY THE GUY AT THE GATE.

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25

THE PERSON THAT'S PUTTING THIS IN AT
65

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1 THE GATE OF A LANDFILL OR AT THE GATE OF A FACILITY
2 DETERMINES WHETHER THIS IS COMMERCIAL OR NOT. SO I
3 THINK THAT WE -- YOU KNOW, WE NEED TO UNDERSTAND
4 INTERNALLY THE INFORMATION THAT'S IN FRONT OF US.
5 WE DON'T EVEN UNDERSTAND SOMETIMES WHEN WE'RE
6 TALKING ABOUT WHAT PERCENTAGE OF THE WASTESTREAM
7 BECAUSE WE DON'T KNOW HOW THE INFORMATION GOT
8 CORRELATED. AND I THINK THAT NEEDS -- THAT GOES
9 BACK TO INTEGRATING EACH DEPARTMENT SO WE CAN BRING
10 IN SOME OTHER EXPERTISE.

11 I THINK WHAT WE HAVE TO TAKE
12 ADVANTAGE OF -- I AM COMPLETELY IMPRESSED WITH THIS
13 PLACE AS FAR AS THE LEVEL OF EXPERTISE OF EVERYBODY
14 HERE AND THE WILLINGNESS TO GET THINGS DONE. BUT I
15 THINK WHEN YOU LOOK AT THESE PROGRAMS AND YOU LOOK
16 AT WHERE WE CAN BE OF ASSISTANCE, WE'RE TALKING
17 ABOUT RESHAPING THIS AGENCY INTO HOW DO WE BETTER
18 UTILIZE OUR DOLLARS. BUT WE NEED TO FOCUS ON THE
19 FACT THAT WHAT'S OUR ROLE. OUR ROLE HERE IS TO
20 OFFER LOCAL ASSISTANCE.

21 WE'RE NOT GOING TO IMPROVE LOCAL
22 GOVERNMENT PERFORMANCE IN DIVERSION. WE'RE NOT
23 GOING TO DO THAT. THAT'S STRICTLY AT THE WILL OF

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24 THE LOCAL JURISDICTION AND THE LOCAL CITIZENS. WE
25 HAVE TO BE THERE TO PROMOTE WHAT MAKES IT EASY.

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1 OKAY?

2 C&D WASTE, ORGANICS, I DON'T KNOW
3 WHAT THE NUMBERS ARE, BUT I'LL TELL YOU WHAT. I'VE
4 PICKED IT UP, PUT IT ON MY BACK. I'LL TELL YOU
5 IT'S HEAVIER THAN HELL, AND THERE'S A LOT OF IT,
6 YOU KNOW. I'M CONVINCED THAT WE NEED TO FOCUS ON
7 THOSE THINGS. BUT I DON'T THINK IF WE HAVE OUR
8 TIERED PERMITTING IN PLACE. WE DON'T. SO WE NEED
9 TO GET THE EFFORTS OF THOSE PEOPLE. WE NEED TO GET
10 THE EFFORTS OF THE LEGISLATIVE STAFF ON THE -- YOU
11 KNOW, LIKE THE 1117 OR 117 AND ALL THAT TYPE OF
12 THING. WE GOT TO MAKE SURE THOSE BARRIERS ARE DOWN
13 WHERE WE NEED TO HAVE THEM DOWN AND WORK FORWARD,
14 AND THEN BRING IN THIS LEVEL OF EXPERTISE BECAUSE
15 WE'RE NOT GOING TO ALL AGREE.

16 I AM WORRIED THAT -- WELL, LET ME
17 CHANGE THE WAY I WANT TO SAY THIS. WHEN I WAS
18 WITH -- WHEN I WAS WITH NORCAL, I USED THIS EXAMPLE
19 TO THE EXECUTIVE STAFF, AND I THINK IT'S A VALUABLE
20 EXAMPLE. WHEN I WAS AT NORCAL AND WE HAD TO
21 REFOCUS WHAT WE DID, AND I GAVE THIS SPEECH WHEN WE
22 FIRST TALKED ABOUT STRATEGIC PLANS AND WHY I WAS SO
23 INVOLVED IN HAVING A STRATEGY AND HAVING GOALS WAS

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24 BECAUSE THAT'S THE ONLY WAY YOU SURVIVE IS YOU

25 FOCUS ON WHAT YOU CAN DO.

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1 AND WHEN I LOOKED AT THE 38 OPERATING
2 COMPANIES THAT WERE UNDER MY CONTROL, THAT I WAS
3 RESPONSIBLE FOR, I BROKE THEM INTO THREE
4 CATEGORIES. I SAID WHICH ONES OPERATE WELL EVERY
5 DAY, GET A GOOD RETURN ON THE INVESTMENT, AND TAKE
6 MINIMAL INVESTMENT FROM ME AS FAR AS MY TIME, AND I
7 PUT THOSE IN ONE CATEGORY. AND THEN I SAID WHICH
8 ONES ARE GOOD, BUT THEY NEED WORK TO REALLY BECOME
9 PERFORMERS, TO REALLY -- YOU KNOW, THAT I COULD SEE
10 RESULTS IN QUICKLY AND THAT CAN IMPACT THE BOTTOM
11 LINE. AND I HAD THAT GROUP IN THE MIDDLE. AND
12 THAT WAS MY MOST IMPORTANT GROUP. THEN I LOOKED AT
13 THE ONES, WHICH ONES WE WANT TO KEEP AND WHICH ONES
14 DON'T WE WANT TO KEEP? ONE OF THE ONES THAT NO
15 MATTER WHAT I DO, NO MATTER WHAT WE AS A COMPANY DO
16 ARE GOING TO SAVE THESE? IS IT WORTH THE EFFORT?
17 AND THAT WAS A GROUP.

18 WELL, OBVIOUSLY WE STARTED SELLING
19 THOSE COMPANIES OR WE STARTED CLOSING DOWN THOSE
20 TYPES OF OPERATIONS OR INCORPORATING THEM. THE
21 ONES THAT RAN WELL, WE STILL HAD OVERSIGHT. I
22 STILL MADE MY CALLS EVERY DAY. I STILL LOOKED AT
23 EVERYTHING TO MAKE SURE IT WAS OKAY, BUT I JUST DID

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24 NOT PUT VERY MUCH EFFORT INTO IT. I PUT A MINIMAL
25 AMOUNT OF EFFORT INTO IT. AND IN THE COURSE OF A

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1 12-HOUR DAY, I PUT AN HOUR INTO THAT, BUT I SPENT
2 TEN HOURS MAKING SURE THAT THOSE ONES IN THE MIDDLE
3 THAT COULD GET THERE, THAT WE COULD SEE THE BIGGEST
4 RESULTS ON, THAT'S WHERE I PUT ALL OF MY ENERGY AND
5 MADE EVERYBODY AROUND ME PUT THEIR ENERGY INTO.
6 AND THAT'S WHAT WE'RE TRYING TO DO HERE.

7 WE CAN DO 80 THINGS HERE HALF ASS, OR
8 WE CAN DO SEVEN OR EIGHT THINGS GREAT, AND 80
9 THINGS WELL ENOUGH OR 73 THINGS WELL ENOUGH TO GET
10 THE JOB DONE. AND THAT'S GOING TO ALWAYS CHANGE
11 BECAUSE YOU ALWAYS HAVE THOSE FIVE OR SIX THINGS
12 YOU HAVE TO FOCUS ON.

13 I THINK THAT MAINTENANCE, WE NEED TO
14 DEFINE INTERNALLY HERE. I LIKE THIS, BUT I THINK
15 WHAT WE NEED TO DO IS TAKE THIS AND GO THROUGH
16 THESE 81 PROGRAMS AND DEFINE WHAT'S IMPORTANT AND
17 WHAT ISN'T AND DEFINE WHAT CAN WE MAINTAIN WITH A
18 MINIMAL AMOUNT OF EFFORT? AND WHAT'S OUR REAL
19 EXPECTATION AS FAR AS BEING ABLE TO HELP LOCAL
20 JURISDICTIONS MEET DIVERSION RATES? YOU KNOW,
21 WHERE CAN WE FOCUS AND WHO DO WE NEED IN THIS STAFF
22 TO FOCUS OUR ENERGIES.

23 AND, WESLEY, YOU ARE A HUNDRED

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24 PERCENT RIGHT. IN SOME AREAS IT'S ORGANICS. IN
25 OTHER AREAS ORGANICS AREN'T EVEN THERE. I MEAN,

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1 PHEW, THEY'RE ONE PERCENT OF THE WASTESTREAM, TWO
2 PERCENT OF THE WASTESTREAM. YOU KNOW, I MEAN THEY
3 NEED TO FOCUS ON SOMETHING ELSE. THEY SHOULD HAVE
4 ALREADY BEEN DOING THAT. THEY SHOULD HAVE ALREADY
5 IDENTIFIED THOSE THINGS.

6 WHERE DO WE COME IN -- WHERE ARE WE
7 VALUABLE TO LOOK AT THAT? I LOOK AT SOME OF THE
8 THINGS THAT WE HAVE DOWN IN OUR DEPARTMENTS HERE.
9 AND YOU KNOW, I GET A LITTLE BIT NERVOUS WITH THE
10 BROADBRUSH. I GET NERVOUS WHEN I SEE ONE OF THE
11 FUNCTIONS THAT WE DO IS TO PROVIDE AND DEVELOP
12 STRATEGIES TO REDUCE COSTS FOR LOCAL GOVERNMENTS IN
13 IMPLEMENTING DIVERSION PROGRAMS. I GET NERVOUS
14 ABOUT THAT BECAUSE EVERY JURISDICTION, WHETHER IT
15 IS BY THE TERRAIN, WHETHER IT IS BY HOW THE HOUSES
16 ARE LOCATED, THE HOMES ARE LOCATED -- YOU KNOW WHAT
17 IS A HECK OF A PROGRAM WAS OUR BACKYARD RECYCLING
18 PROGRAM IN LOS ALTOS. THEY DIDN'T WANT ANY -- LOS
19 ALTOS HILLS. THEY DIDN'T WANT ANYTHING ON THE
20 STREET, YOU KNOW. THEY DON'T MAKE GARBAGE IN LOS
21 ALTOS HILLS. YOU KNOW, WE HAVE TO KEEP IT HIDDEN
22 BEHIND THE GATES. BELIEVE ME, AND IF YOU COULD SEE
23 3 INCHES OF THAT CAN, WHEN WE WENT AWAY, THEY'D

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24 CALL US AND TOLD US WE HAD TO MOVE IT, SO WE'D HAVE
25 TO SEND A GUY BACK TO MOVE IT 3 INCHES. BUT THAT

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1 JURISDICTION, WE FOUND, THROUGH DOING THAT PROGRAM,
2 WE DIDN'T GET ANY ALUMINUM CANS, WE DIDN'T GET ANY
3 TIN, WE DIDN'T GET ANY OF THOSE TYPES OF THINGS.
4 WE GOT A LOT OF NEWSPAPERS, AND WE GOT A LOT OF
5 WINE BOTTLES. I MEAN THAT'S TRUE. THAT'S WHAT WE
6 GOT. BUT WE --

7 BOARD MEMBER CHESBRO: THEY DON'T EAT
8 THINGS OUT OF CANS?

9 BOARD MEMBER JONES: NO WAY. BUT RIGHT
10 NEXT DOOR IN WOODSIDE, YOU KNOW, CHRIST, THEY'RE
11 DRINKING 7-UP AND THEY'RE, YOU KNOW, A LITTLE MORE
12 NORMAL. SO WE HAD TO -- WITHIN THAT ONE COMPANY,
13 WE HAD SEVEN JURISDICTIONS, AND WE HAD SEVEN
14 DIFFERENT TARGET MATERIALS. AND WE HAD TO DO
15 COLLECTION DIFFERENTLY. WE HAD TO DESIGN TRUCKS
16 THAT ACTUALLY PICKED UP GARBAGE AND HAD
17 COMPARTMENTS FOR RECYCLABLES. WE DID IT
18 DIFFERENTLY DEPENDING UPON WHAT IT WAS. THAT'S
19 REALITY AND THAT'S WHAT WE HAVE TO LOOK AT HERE.

20 THERE IS NO ONE FIX FOR ALL AREAS.
21 EVERY JURISDICTION IS A LITTLE BIT DIFFERENT, SO
22 LET'S DEFINE WHAT WE DO. WE OFFER SOME VALUE IN
23 SUPPORTING THEM. OKAY.

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24 I 'D LOVE TO SUPPORT THEM WITH MONEY,

25 AND MAYBE WE COULD AFFORD TO SUPPORT THEM WITH

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1 MONEY IF WE DIDN'T SPEND ALL OF OUR TIME COUNTING
2 WIDGETS, YOU KNOW, THAT MEAN ZIPPITY-DO-DA TO THE
3 WORLD. WE GOT TO GO THROUGH THESE 81 OR HUNDRED
4 ONE AND SAY WHAT CAN WE DO IN MAINTENANCE? WHAT
5 CAN WE REALLY GO TO? I DON'T WANT TO SEE THIS
6 PLACE HAVE ONE LESS EMPLOYEE IN IT. AND I NEED TO
7 SAY THAT BECAUSE I THINK SOME PEOPLE THOUGHT THAT'S
8 WHERE I WAS COMING FROM.

9 I WILL TELL YOU THAT I PERSONALLY HAD
10 TO DO THAT ONE TIME, AND IT COST 400 PEOPLE THEIR
11 JOBS. AND I DON'T TAKE IT VERY LIGHTLY. I TAKE IT
12 VERY SERIOUSLY BECAUSE THEY WERE MY PARTNERS, AND
13 THAT'S A TOUGH THING TO DO. THAT'S NOT MY INTENT
14 HERE. BUT IF WE GOT SOMEBODY IN A DIVISION THAT
15 CAN HAVE MORE VALUE FOR US BEING A DOER OF
16 SOMETHING ELSE, WE NEED TO DO THAT. AND I THINK
17 THE ONLY WAY WE GET TO THAT NEXT STEP -- AND I TELL
18 YOU WHAT, IF WE CAN DO THIS AS A GOVERNMENT AGENCY,
19 I THINK WE HAVE SET THE STANDARD FOR THIS STATE.
20 AND YOU KNOW, WE JUST HAVE TO REFOCUS, SEE WHO WE
21 HAVE TO DO IT, SO I LIKE THE THINGS THAT ARE BEING
22 BROUGHT UP.

23 MY INPUT TO THIS THING IS WE GOT TO

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24 DEFINE IN REALITY WHERE IS OUR VALUE, YOU KNOW?

25 WHAT REALLY DO WE DO THAT'S VALUABLE? AND I THINK

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1 WE DO A LOT OF THINGS, BUT I THINK WE KID OURSELVES
2 IF WE THINK WE DO A HUNDRED ONE THINGS THAT ARE
3 VALUABLE BECAUSE I DON'T THINK WE DO PERSONALLY. I
4 THINK, YOU KNOW, WE JUST NEED TO FOCUS. THAT'S THE
5 END OF MY SPEECH.

6 (APPLAUSE.)

7 BOARD MEMBER CHESBRO: MY TURN. DIDN'T DO
8 THAT FOR ME.

9 MR. CHANDLER: WELL, MEMBERS, WHAT I WOULD
10 LIKE TO SUGGEST, AND IT'S JUST A SUGGESTION, WE
11 KIND OF FINISHED OUR MORE FORMAL PRESENTATION. I
12 HAVE ASKED DOUG TO PUT BACK UP THE NEXT STEP SLIDE,
13 AND I ALSO KNOW THAT THIS IS AT THE POINT IN THE
14 PRESENTATION THAT WE REALLY WANTED TO GET SOME
15 FEEDBACK ON NOT JUST OUR CURRENT STATE, BUT RESPOND
16 TO HOW WE PROPOSE TO MOVE FORWARD. I DON'T KNOW IF
17 YOU THINK IT WOULD BE APPROPRIATE TO GIVE BETH FIVE
18 MINUTES TO JUST TAKE A SHORT BREAK AND THEN COME
19 BACK AND START.

20 BOARD MEMBER CHESBRO: I'M READY TO GIVE
21 YOU SOME FEEDBACK IN ADDITION TO WHAT I'VE ALREADY
22 GIVEN YOU.

23 CHAIRMAN PENNINGTON: LET'S TAKE ABOUT
24 FIVE MINUTES HERE.

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25

(RECESS TAKEN.)

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1 CHAIRMAN PENNINGTON: OKAY. WE'LL COME
2 BACK TO ORDER HERE, AND I THINK WE LEFT OFF AT THE
3 POINT WHERE WE WERE GOING TO SOME FEEDBACK FROM THE
4 BOARD MEMBERS. AND I THINK YOU WERE WANTING TO
5 START OFF.

6 BOARD MEMBER CHESBRO: THANK YOU. WELL, I
7 WAS WONDERING WHEN I WAS REVIEWING THE ITEM THAT
8 WAS IN THE AGENDA WHETHER WE HAVE A NEW SET OF
9 THREE R'S, VERSION NO. 5., REDUCE, RETAIN, OR
10 REFOCUS. SERIOUSLY, THE STRATEGY IN THE MODEL IS
11 INTERESTING AND IMPORTANT, AND I THINK A GOOD
12 VEHICLE FOR GETTING THE DIALOGUE GOING, BUT IT
13 REMAINS VERY GENERAL POLICY WITHOUT A LOT OF
14 DEFINITION OR SPECIFICITY. AND IT'S EVEN A LITTLE
15 BIT CONFUSING, AND THAT'S FROM SOMEBODY WHO JUST
16 GOT A DEGREE IN ORGANIZATIONAL DEVELOPMENT AND
17 TALKED ABOUT THIS STUFF FOR TWO YEARS. SO IT
18 REALLY DOES NEED SOME DEFINITION.

19 THE PROCESS OF IDENTIFYING KEY AREAS
20 IS GOOD, BUT I THINK WE ALSO NEED TO REMEMBER THAT
21 WE'VE DONE A LOT OF THIS WORK CERTAINLY IN SOME
22 SPECIFIC AREAS IN THE BOARD, SUCH AS THE MARKET
23 DEVELOPMENT PLAN, WHICH IS, I GUESS, PRIMARILY
24 WHERE WE CAME TO THE PRIORITIES OF ORGANICS AND C&D

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25 IS THAT IT GREW OUT OF THAT PROCESS. BUT WE 'VE HAD
74

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1 THE GETTING TO 50 PERCENT PROCESS AND THE STRATEGIC
2 PLAN PROCESS, AND SO A LOT OF IT'S NOT NEW.

3 IN TERMS OF ADDRESSING THE SPECIFIC
4 PRIORITY PROGRAMS, FIRST OF ALL, THE TOP FOUR HAVE
5 BEEN PRESENTED WITHOUT REALLY AN ITEM FOR BOARD
6 ACTION. IT WAS HANDED OUT. WE TALKED ABOUT IT --
7 YOU'VE TALKED ABOUT IT INDIVIDUALLY WITH BOARD
8 MEMBERS, AND PIECES OF IT HAVE EXISTED ALONG THE
9 WAY, BUT IT IS A MAJOR ITERATION AND ATTEMPT TO
10 NARROW THE FIELD IN TERMS OF IMPLEMENTATION OF THE
11 STRATEGIC PLAN.

12 AND IT SEEMS TO ME THAT THERE NEEDS
13 TO BE A WHOLE LOT MORE ANALYSIS. I THINK THERE'S
14 PROBLEMS OR QUESTIONS ABOUT EACH ONE OF THEM.
15 THEY EACH HAVE SERIOUS QUESTIONS. FOR EXAMPLE,
16 WHAT'S INCLUDED IN ORGANICS? WHAT ARE WE TALKING
17 ABOUT? IS IT FOOD WASTE? IS FOOD WASTE IN AND
18 OUT, OR IS IT JUST YARD WASTE?

19 WITH REGARDS TO C&D, I HANDED OUT
20 SOME NUMBERS THAT INDICATE WHAT THE C&D NUMBERS
21 ARE, BUT HOW MUCH C&D IS ACTUALLY GOING INTO
22 LANDFILLS? AND WHAT'S THE CRITERIA WE USED HERE?
23 IS IT JUST THE PERCENTAGE OF THE WASTESTREAM, OR

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IS

24 IT SOMETHING WE THINK WE CAN ACHIEVE A LOT IN A

25 HURRY WITH? WHAT MAKES C&D A HIGHER PRIORITY OVER

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1 OTHER MATERIALS?

2 I'M NOT THERE YET. I CERTAINLY --
3 YOU ARE RIGHT, CAREN, IN THE MARKETS PLAN WE SAID
4 THAT WE THOUGHT, YOU KNOW, WE COULD GET A LOT OF
5 BANG FOR OUR BUCK BY TRYING TO ZERO IN ON SOME
6 PRIORITY MATERIALS, BUT I'M NOT SURE FOR THE
7 OVERARCHING STRATEGY HERE WE'RE THERE YET.

8 MS. TRGOVCICH: I WOULD JUST CAUTION YOU,
9 MEMBER CHESBRO, IN TERMS OF THE DATA THAT YOU DID
10 HAND OUT, THERE'S A SPECIFIC NOTATION AT THE BOTTOM
11 THAT IT DOES NOT INCLUDE C&D. SO IT'S SELF-HAUL.
12 IT'S A FRACTION IN TERMS --

13 BOARD MEMBER CHESBRO: C&D SELF-HAUL.
14 THAT'S THE RESIDENTIAL, BUT AMONGST THE
15 COMMERCIAL --

16 MS. TRGOVCICH: THIS IS THE COMMERCIAL
17 LISTING.

18 BOARD MEMBER CHESBRO: I DIDN'T MEAN TO
19 SAY IT WASN'T A PRIORITY. I WASN'T ARGUING AGAINST
20 C&D. I WAS SAYING WHAT'S THE CRITERIA? WHAT'S THE
21 ANALYSIS? WHAT ARE WE DECIDING THIS BASED ON?
22 THAT WAS MY POINT. IT WASN'T TO SAY THAT, YOU
23 KNOW, THIS NUMBER SAYS 3 PERCENT; THEREFORE, LET'S
24 NOT DO C&D. THAT WASN'T WHAT I WAS TRYING TO

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25 PORTRAY. WHAT I WAS TRYING TO PORTRAY WAS I DON'T
76

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1 HAVE IN FRONT OF ME THE ANALYSIS, WHAT THE FACTORS
2 ARE THAT WE'RE GOING TO USE TO DETERMINE PRIORITY
3 MATERIALS AND WHY.

4 AS FAR AS THE LEA PERFORMANCE
5 APPARENTLY BEING THE PRIMARY MEANS OF IMPLEMENTING
6 GOAL 3, I'M NOT REALLY SATISFIED WITH THAT. IT
7 DOESN'T ADDRESS THE FUNDAMENTAL ROLE OF THE BOARD
8 IN APPROVING PERMITS AND SEEING TO IT THAT ADEQUATE
9 COMPLIANCE IS TAKING PLACE AROUND THE STATE.
10 IMPROVING LEA'S IS A VERY HIGH PRIORITY, BUT IT IS
11 TOO NARROWLY FOCUSED A WAY TO IMPLEMENT GOAL 3.

12 THE BOARD AND THE BOARD STAFF DO HAVE
13 A MAJOR ROLE, AND BOARD MEMBER JONES MENTIONED HERE
14 PERMITTING, FOR EXAMPLE, AS A REALLY MAJOR PIECE.
15 WHERE DOES THAT FIT IN IN OUR PRIORITY AREA FOR
16 IMPLEMENTING GOAL 3? TO ME THAT'S REALLY
17 IMPORTANT. AND I DON'T THINK IMPROVING LEA'S
18 ADDRESSES HOW WE ACHIEVE THAT PART OF STRATEGIC
19 PLAN GOAL 3.

20 OVERALL I'M NOT -- IF THE QUESTION IS
21 BY FEEDBACK, YOU KNOW, GEE, IS THE BOARD GOING TO
22 SAY GO FORWARD WITH THESE FOUR, I'M NOT THERE. I'M
23 NOT AGAINST THEM. I JUST HAVE A LOT OF QUESTIONS,
24 AND I WANT TO MAKE SURE WE HAVE SUFFICIENT ANALYSIS

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25 AND CRITERIA FOR DECIDING THAT THAT'S -- THOSE ARE
77

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1 THE MARCHING ORDERS TO MOVE TO THE NEXT STEP WITH.

2 AND I ALSO, AGAIN, AD NAUSEUM, POINT
3 NO. 50 THAT I'M GOING RAISE THIS AGAIN, WE NEED
4 CLARIFYING DISCUSSION, THAT I'M HEARING IT FROM THE
5 OTHER BOARD MEMBERS THAT IN FOCUSING ON CERTAIN
6 MATERIALS, THAT WE ARE NOT SAYING THAT WE'RE NOT
7 FOCUSING IN ON THE OTHER MATERIALS IN THE
8 WASTESTREAM AS WELL. SOMEHOW OR OTHER WE NEED TO
9 FIGURE OUT WHAT THAT BALANCE IS OF SAYING PERHAPS
10 ON A STATEWIDE BASIS, YOU KNOW, MORE RESOURCES GO
11 INTO CERTAIN PRIORITY ACTIVITIES, BUT MEANWHILE WE
12 GOT REGIONAL FOCUS.

13 DURING THE BREAK BOARD MEMBER RELIS
14 AND I WERE TALKING ABOUT ORGANICS IN LOS ANGELES
15 COUNTY. SOME OTHER REGION CAN BE MAYBE SOMETHING
16 TOTALLY DIFFERENT, AND THEN THERE'S THE JURISDIC-
17 TION SPECIFIC RESPONSIBILITY.

18 SO IT'S MUCH MORE COMPLEX THAN JUST
19 SAYING FOCUSED REDUCTION ON ORGANICS AND FOCUSED
20 REDUCTION IN CONSTRUCTION AND DEMOLITION. THAT
21 DOESN'T COVER THE NEED FOR ACTIVITY AT THE BOARD
22 ADEQUATELY.

23 CHAIRMAN PENNINGTON: ARE YOU THROUGH?

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24 BOARD MEMBER CHESBRO: WELL, LET ME JUST
25 SAY OVERALL GOOD WORK. I KNOW IT SOUNDS LIKE I'M

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1 BEING VERY NEGATIVE, BUT I THINK THAT WE'RE
2 PROGRESSING, BUT I'M JUST PUTTING THOSE OUT THERE
3 AS THE AREAS OF CONCERN THAT NEED TO BE DEALT WITH.

4 MS. RICE: CAN I ASK A CLARIFYING
5 QUESTION? IS THAT APPROPRIATE? IN SPEAKING TO THE
6 PRIORITY AREA EXPRESSED ABOUT IMPROVING LEA
7 PERFORMANCE, AGAIN REITERATING THE REASON THAT WAS
8 SELECTED IS THAT WE DON'T PREPARE PERMITS, WE DON'T
9 DO THE MONTHLY INSPECTIONS, WE DON'T ENSURE
10 COMPLIANCE AT FACILITIES. YES, WE HAVE AN
11 IMPORTANT ROLE IN ALL THOSE PROCEDURES; BUT IF THE
12 PERMIT IS NOT PREPARED ADEQUATELY UP FRONT BY THE
13 OPERATOR AND THE LEA, THEN WHAT WE RECEIVE IS NOT
14 SOMETHING THAT MEETS YOUR STANDARDS.

15 SO I AGREE ABSOLUTELY WITH YOU THAT
16 IT IS VERY IMPORTANT, WHAT ARE THE THINGS THAT ARE
17 PRESENTED TO YOU FOR DECISION-MAKING AND WHAT IS
18 YOUR INVOLVEMENT IN THAT PROCESS AND WHAT IS BOARD
19 STAFF'S INVOLVEMENT IN THAT PROCESS. BUT IT ALL
20 STARTS UPSTREAM WITH SOMEONE ELSE ACTUALLY DOING
21 THE WORK, WHICH WAS WHY THE FOCUS ON THAT. AND I'M
22 ONLY SAYING THESE WORDS BECAUSE I'M ASSUMING THAT
23 MUST NOT HAVE BEEN CLEAR FROM THE WAY I DESCRIBED

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24 IT AS TO WHY WE'RE FOCUSING OR I'M FOCUSING AT THIS
25 MOMENT ON THE LEA.

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1 I DON'T WRITE PERMITS; THE LEA DOES.

2 I DON'T DO INSPECTIONS; THE LEA DOES. I DON'T
3 WRITE ENFORCEMENT ORDERS; THE LEA DOES. I, OF
4 COURSE, HAVE A VERY IMPORTANT ROLE TO REVIEW THOSE
5 ASPECTS AND MAKE SURE THEY'RE DONE, AND THE LAW
6 SPEAKS TO IF THEY'RE NOT BEING DONE, THEN WE CAN DO
7 THEM. YOU KNOW, WE STEP IN IF THEY ARE NOT TAKING
8 APPROPRIATE ENFORCEMENT ACTION OR NOT WRITING
9 PERMITS TIMELY AND APPROPRIATELY, THEN THROUGH THE
10 PROCESS WE STEP IN. SO THAT IS WHY, FOR THIS TEAM,
11 THE FOCUS ON THE LEA AS THE FIRST POINT, NOT THE
12 ONLY POINT, BUT AN IMPORTANT POINT.

13 BOARD MEMBER RELIS: I'D LIKE TO OFFER A
14 FEW COMMENTS. FIRST, I'D LIKE TO START OFF AND
15 JUST SAY I THINK THIS IS RIGHT ON TARGET. I THINK
16 THAT WE HAVE BEEN STRUGGLING FOR YEARS AS A BOARD
17 TO REACH A DAY, A TIME, HOPEFULLY VERY, VERY SOON,
18 TO FOCUS OUR RESOURCES. WE CANNOT ATTAIN A 50-
19 PERCENT DIVERSION IN THIS STATE WITHOUT A FOCUSED,
20 MEASURE-BASED EFFORT. WE HAVE TWO YEARS, THREE
21 MONTHS TO THE DATE THAT THE MEASUREMENT WILL TAKE
22 PLACE IN. IF WE DIDDLE AROUND WITH A HUNDRED
23 DISPARATE ACTIVITIES, WE WILL SIMPLY NOT GET

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THERE.

24 SO I THINK IT'S A MOMENT OF
RECKONING

25 FOR THIS BOARD AND ITS RESOLVE TO MAKE A
DETERMINA-

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1 TION AT THIS TIME WITH THE BEST AVAILABLE INPUT
2 FROM STAFF ABOUT HOW WE'RE GOING TO ROLL OUT THE
3 NEXT 2.3 YEARS OF EFFORT. WE WILL BE MEASURED BY
4 THE 50-PERCENT DIVERSION EFFORT. WE WILL -- WE
5 KNOW THAT CERTAIN JURISDICTIONS ARE GOING TO DO
6 MORE, SOME WILL DO LESS. THAT'S THE ENFORCEMENT
7 SIDE OF THAT BOARD. THAT'S A DISCUSSION FOR
8 ANOTHER DAY.

9 BUT WHEN I LOOK AT THE MATERIAL
10 STREAM, AND ALL OF US GO AROUND THE STATE, YOU CAN
11 BEGIN TO SIZE UP FAIRLY QUICKLY WHERE THE PROGRESS
12 IS BEING MADE, WHERE IT ISN'T. SOME MATERIALS,
13 IT'S GOING TO BE EASIER TO MAKE A QUANTUM LEAP AND
14 OTHERS WILL BE INTRACTABLE. THERE'S CERTAIN
15 THINGS, NO MATTER HOW HARD YOU POUND YOUR WAY AT
16 IT, IT DOESN'T CHANGE THE BOTTOM LINE.

17 SO I WELCOME A FOCUS. I WELCOME A
18 DISCUSSION OF MOVING FROM 50 ACTIVITIES AND HIT A
19 SMALL NUMBER HARD, HAVE A RESERVE THAT COMES IN.
20 IT DOESN'T MEAN -- AND WESLEY AND I WERE TALKING IN
21 JURISDICTIONS. SUPPOSE WE HAVE AN AREA -- AND WE
22 WILL DEPEND ON THE STAFF TO CLARIFY THIS FOR US.
23 IN SOME AREAS IT'S GOING TO BE ORGANICS, IN SOME

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24 AREAS IT'S NOT RELEVANT, THAT ORGANICS WON'T BE
25 RELEVANT, C&D WON'T BE RELEVANT. WE STILL HAVE TO

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1 ADDRESS THE PROBLEMS BY REGION AND THE MATERIALS BY
2 REGION.

3 SO WHAT -- I USED THE WORD BEFORE
4 "PREPONDERANCE OF ACTIVITY." IT'S A WEIGHTING.
5 IT'S NOT A HUNDRED PERCENT THAT WE ONLY FOCUS ON
6 ORGANICS A HUNDRED PERCENT. WE ONLY FOCUS ON C&D.
7 NO, IT'S JUST SAYING STATEWIDE, BASED ON LOOKING AT
8 THE STATE AS A WHOLE AND WHAT IS THE UNMET 15 TO 20
9 PERCENT OF MATERIAL THAT'S OUT THERE THAT COULD BE
10 RECOVERED, COULD BE DIVERTED, COULD BE REDUCED.

11 THAT'S WHAT WE'RE SEEING ON THE
12 SCREEN. IT DOESN'T MEAN THAT THERE AREN'T PROBLEMS
13 WITH PLASTICS OR PAPER. WE WILL HAVE TO CONTINUE
14 OUR EFFORTS IN THAT REGARD, BUT WE MAY NOT BE ABLE
15 TO DO IT AS MUCH OR AS WELL.

16 SO AS FAR AS THE ISSUE OF LEA, I
17 THINK WE HAD A DISCUSSION YESTERDAY THAT REFLECTS
18 STILL SOME OF THE BOARD'S CONCERN ABOUT THE, I USE
19 THE TERM, "TRANSPARENCY" OF WHAT IS GOING TO BE THE
20 REVIEW LINK BASED ON OUR HISTORICAL EXPERIENCE? I
21 THINK YOU ARE SENSING THERE'S STILL POSSIBLY SOME
22 CONCERN THERE BY AT LEAST SEVERAL OF US, THAT WE
23 DON'T -- EITHER WE DON'T QUITE GET IT YET, OR THE

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24 CASE HASN'T BEEN FULLY MADE TO GIVE US A COMFORT

25 LEVEL WITH WHAT THAT PROCESS IS GOING TO LOOK LIKE,

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1 FEEL LIKE WHEN IT COMES TO THE PERMITS THAT COME
2 BEFORE THE BOARD, WHAT ARE WE GOING TO DO WHEN THE
3 LEA'S PLAY A MORE PROMINENT ROLE.

4 AND THEN IN TERMS OF THE LOCAL
5 ASSISTANCE, I THINK THAT INTERFACE -- I'M REALLY
6 HAPPY TO HEAR THAT LOCAL ASSISTANCE AND MARKETS IN
7 THIS CASE, AND I KNOW IT'S BEEN GOING ON ACROSS
8 ORGANIZATION, BUT THIS IDEA OF HAVING A TEAM LEADER
9 WITH ACCOUNTABILITY FOR A PROGRAM AREA IS EXCITING
10 TO ME. I THINK IT'S -- AS STEVE PUT IT, I THINK
11 THAT WOULD BE A BOLD MOVE FOR STATE GOVERNMENT TO
12 SHOW THAT WE'RE ORGANIZING OURSELVES AROUND A
13 MISSION, AND THAT MISSION IS AS DEFINED AS ANY
14 MISSION EVER GRANTED BY STATE GOVERNMENT. HERE IT
15 IS. IT WAS THIS MANY TONS WHEN YOU BEGAN. HERE'S
16 WHERE YOU ARE TODAY, AND HERE'S YOUR ACCOUNT-
17 ABILITY. AND THAT'S BEAUTIFUL TO HAVE A MISSION
18 LIKE THAT. AT LEAST IT ISN'T AMBIGUOUS.

19 SO I'M EXCITED. I'D LIKE TO MOVE ON
20 THIS AS SOON AS WE CAN. I THINK IT WOULD HELP TO
21 HAVE STAFF COME BACK AT OUR NEXT ROUND WITH SOME OF
22 THE NUMERICAL OR QUANTITATIVE OR THE CONTEXT THAT
23 YOU SEE FROM LOCAL ASSISTANCE AND MARKETS TO PUT

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24 THESE TONNAGE FIGURES IN A FRAMEWORK THAT SAYS ,
25 WELL, WHAT IS THE ORGANICS OR WHAT IS THAT C&D, AND

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1 WE KNOW WHAT THE -- AND HOW CERTAIN ARE WE ABOUT
2 SOME OF THE OTHER MATERIALS BECAUSE WE ARE GOING TO
3 HAVE THAT DETAILED DISCUSSION ON WHAT'S HAPPENING
4 WITH PAPER. IT'S A VERY, VERY BIG NUMBER IN OUR
5 FRAMEWORK.

6 SO ALL IN ALL, I REALLY WANT TO
7 COMMEND THE STAFF, THE WHOLE EXECUTIVE OFFICE HERE,
8 FOR BRINGING THIS FORWARD. AND I REALIZE IT'S AN
9 ADJUSTMENT. KEITH, THERE'S SOME OF THE PRESENTA-
10 TION TODAY WE DIDN'T SEE IN THE BASIC MATERIALS,
11 BUT FRANKLY I THINK THAT IMPROVES IT.

12 BOARD MEMBER JONES: MR. CHAIRMAN, CAN I
13 ASK MR. RELIS A QUESTION? WHEN -- I THINK WE ARE.
14 I JUST WANT TO DEFINE WHEN WE TALK ABOUT THE
15 AMOUNTS OF MATERIALS, WE'RE TALKING REGIONALLY,
16 RIGHT, BECAUSE --

17 BOARD MEMBER RELIS: YES.

18 BOARD MEMBER JONES: -- THE WHOLE CONTEXT
19 OF WHAT YOU WERE SAYING WAS WE IDENTIFY THESE
20 THINGS REGIONALLY. AND SO WHEN WE'RE LOOKING AT
21 NUMBERS, WHEN WE WANT TO SEE THAT NEXT STEP, TO
22 SUPPORT WHAT MR. RELIS WAS SAYING, I THINK ALL OF
23 US AGREE, YOU GO INTO AN AREA REGIONALLY, WHAT'S

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24 THE ISSUE REGIONALLY, YOU KNOW? AND MAYBE YOU

25 DON'T -- DON'T WORRY IF IT'S NOT PERFECT. AT LEAST

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1 IT'S A, YOU KNOW, AN IDEA, THEN WE AT LEAST CAN
2 FOCUS IN THAT AREA. YEAH, C&D IS BIG IN THIS AREA
3 BECAUSE WE'VE GOT ALL THIS DEVELOPMENT GOING ON OR
4 WE JUST HAD A BUNCH OF FIRES OR WE JUST HAD AN
5 EARTHQUAKE.

6 YOU KNOW, ONE THING WE HAVEN'T TALKED
7 ABOUT THAT WE NEED TO, IT'S NOT PART OF THIS, BUT
8 ALL THE BOSSES ARE HERE, WHAT'S EL NINO GOING TO
9 DO? I MEAN ARE WE PREPARED, ARE WE PUTTING OUT
10 ADVISORIES, LETTING PEOPLE KNOW WHAT TO DO WITH
11 THEIR MATERIALS AND THINGS LIKE THAT? BUT
12 ANYWAY --

13 BOARD MEMBER RELIS: THAT'S THE
14 PARTNERSHIP SIDE. YOU KNOW, WE -- WE'RE
15 IDENTIFYING WITH LOCAL ASSISTANCE WHERE THE NEEDS
16 ARE. WE HOPEFULLY CAN ROLL IN THIS TEAMWORK
17 FASHION AND CONVEY WHAT WE CAN DO, AND THERE ARE
18 LIMITS TO WHAT WE CAN DO. IT'S A PARTNERSHIP. YOU
19 KNOW, WE DON'T BUILD FACILITIES, WE DON'T OPERATE
20 FACILITIES, AND WE'RE NOT ACCOUNTABLE FOR THE FINE
21 SHOULD IT COME TO THAT, BUT WE ARE ACCOUNTABLE FOR
22 BEING A CREDIBLE, WORTHY PARTNER WITH LOCAL
23 GOVERNMENT IN TERMS OF ASSISTING THEM GETTING WHERE

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24 THEY NEED TO GO.

25 WE CAN ONLY GO SO FAR. ULTIMATELY

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1 THE CITY COUNCILS, THE BOARDS OF SUPERVISORS, THE
2 PUBLIC WORKS DEPARTMENTS, THEY CONTROL THE BUDGETS
3 AND THE CONTRACTS, BUT WE TAKE IT THAT FAR. WE'VE
4 DONE OUR JOB. AND THEN WE HAVE NOTHING TO DO BUT
5 SEE HOW IT PLAYS OUT.

6 BOARD MEMBER JONES: I THINK YOU ARE
7 HUNDRED PERCENT RIGHT. AND IN TALKING ABOUT
8 FOCUSING AND -- THANKS, MR. CHAIRMAN, BECAUSE I
9 KNOW IT'S YOUR TURN TO TALK, BUT THIS IS GOOD
10 STUFF. YOU KNOW, WHEN WE TALK ABOUT FOCUSING ON
11 C&D AND FOCUSING ON THAT, I DON'T KNOW IF THE OTHER
12 BOARD MEMBERS FEEL THIS WAY OR NOT, I FEEL LIKE
13 WE'VE GOT A LOT OF PROGRAMS OUT THERE. WE IN THE
14 INDUSTRY, WE IN THE PUBLIC OR, YOU KNOW, CITY
15 GOVERNMENTS HAVE PROVIDED MECHANISMS TO DIVERT
16 PLASTIC, ALUMINUM CANS, ALL THE CURBSIDE-TYPE
17 MATERIALS, ALL THE DROP-OFF-TYPE MATERIALS. WHERE
18 THEY WANT TO HAVE THOSE PROGRAMS, THEY HAVE THOSE
19 PROGRAMS. WHERE COMMERCIAL RECYCLING IS GOING
20 AFTER PARTS OF THE WASTESTREAM, THOSE PROGRAMS
21 EXIST. WHERE THEY DON'T EXIST, THEN WE GET INTO A
22 NUMBERS GAME. WE GET INTO THE, WELL, LET ME
23 REDEFINE MY BASE YEAR. YOU KNOW, I MADE A MISTAKE

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24 BECAUSE I SCAMMED THIS THING AND WASN'T GOING TO
25 HAVE TO DO ANYTHING, AND YOU CHANGED THE METHOD SO
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1 NOW I HAVE TO RESCAM IT.

2 BUT, YOU KNOW, THOSE MATERIALS ARE
3 OUT THERE, AND THERE'S PROGRAMS AVAILABLE TO DO IT,
4 AND IT'S PRETTY COMMON KNOWLEDGE. I THINK ONE OF
5 THE THINGS, AND I'M ADDRESSING IT BECAUSE I THINK
6 WESLEY IS RIGHT, THAT WE CAN'T LOSE TRACK OF ANY OF
7 THE OTHER MATERIALS, BUT I THINK THERE'S PROGRAMS
8 THERE. WHERE THERE AREN'T A LOT OF PROGRAMS ARE
9 C&D WASTE, ORGANICS, THINGS LIKE THAT. PAUL TALKED
10 EARLIER ABOUT THE PROCESS OF THE PILOT PROJECTS TO
11 START GETTING MATERIALS GOING AND THINGS.

12 I THINK WE'RE -- YOU KNOW,
13 COMMUNITIES ARE GETTING PAST THAT POINT. WE HAVE
14 AVAILABLE INFORMATION. NOW WE'VE GOT TO REALLY DO
15 WHAT WE NEED TO DO TO MAKE IT EASIER FOR THEM TO
16 START THOSE FACILITIES, TO IDENTIFY THAT THEY CAN
17 DO YARD DROP-OFF, YOU KNOW, WOODWASTE DROP-OFF,
18 THOSE TYPES OF THINGS IN COMMUNITIES, WHATEVER THE
19 PROGRAM NEEDS TO FIT, BUT I THINK IF WE LOOK AT IT
20 IN WHAT'S ALREADY OUT THERE, WHAT'S AVAILABLE.

21 AND THEN I THINK THE OTHER THING THAT
22 WE NEED TO LOOK AT IS WE HAVE TWO ROLES HERE.
23 WE'RE OFFERING ASSISTANCE. THERE ARE SOME PEOPLE

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24 THAT DON'T WANT OUR ASSISTANCE. THEY DON'T WANT
25 ANYTHING TO DO WITH US, SO WHY DO WE WASTE OUR

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1 TIME. WE MAKE IT AVAILABLE. IF THEY DON'T WANT
2 IT, YOU DON'T FORCE FEED THEM, BUT WE HAVE ANOTHER
3 WAY OF DEALING WITH THAT. IF THOSE JURISDICTIONS
4 DECIDED THAT THEY DON'T WANT TO DEAL WITH US, THEY
5 DON'T WANT TO TAKE ANY OF THE HELP, AND THEY ALSO
6 DON'T WANT TO DO ANY PROGRAMS, THEN WE GO INTO
7 ANOTHER PHASE, AND IT'S CALLED ENFORCEMENT. AND AT
8 THAT POINT WE OFFER THEM THE OPPORTUNITY OF
9 \$10,000-A-DAY FINES. I THINK THAT GETS THEM
10 FOCUSED. GET MY ATTENTION.

11 BUT I THINK THAT IF WE LOOK AT THAT,
12 AND WE CAN'T BE EVERYTHING TO EVERYBODY, PEOPLE
13 DON'T WANT OUR HELP ON SOME AREAS, SO I THINK IT'S
14 ANOTHER CASE OF OR IT'S ANOTHER EXAMPLE OF FOCUSING
15 OUR EFFORTS ON THOSE PEOPLE THAT WANT TO TAKE
16 ADVANTAGE OF IT. YOU KNOW, FOCUS ON WHO WANTS YOUR
17 HELP.

18 TO ME, YOU DO THAT REGIONALLY AND YOU
19 HAVE DIFFERENT PROGRAMS, YOU DON'T HAVE TO COVER
20 EVERYTHING, BUT YOU COVER THE BASICS AND YOU ARE
21 OUT THERE DOING YOUR JOB. AND IF THEY DON'T WANT
22 TO TAKE IT, WE'LL GET THERE. AS A STATE, WE'LL HIT
23 50 PERCENT. THERE'S NO QUESTION IN MY MIND THAT WE

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24 WILL HIT 50 PERCENT. THOSE JURISDICTIONS THAT
25 DON'T WANT TO PARTICIPATE, THERE'S A WHOLE NOTHER

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1 WAY OF DEALING WITH THEM.

2 I DON'T WANT TO GET US CAUGHT UP IN
3 SAYING WE GOT TO HOLD -- I DON'T KNOW HOW MANY
4 CITIES THERE ARE IN THIS STATE, BUT WE DON'T NEED
5 TO HOLD EVERYBODY'S HAND. WE NEED TO HOLD THE HAND
6 OF THE ONE THAT WANTS US TO HOLD THE HAND, SO, YOU
7 KNOW.

8 CHAIRMAN PENNINGTON: OKAY. WELL, ONE OF
9 THE GREAT THINGS ABOUT BEING CHAIRMAN IS YOU GET TO
10 HAVE THE LAST WORD. UNFORTUNATELY SOMETIMES IT'S
11 ALL BEEN SAID BEFORE YOU, AND THERE'S NOT MUCH TO
12 SAY. BUT LET ME SAY, FIRST, THAT I CONGRATULATE
13 YOU ON AN EXCELLENT JOB, AN EXCELLENT PRESENTA-
14 TION. I THINK YOU'VE GOT US FOCUSED OR AT LEAST
15 WE'RE WORKING IN THAT DIRECTION.

16 I THINK THAT THE IMPORTANT THING IS
17 THE NEXT STEPS. I THINK IT'S CRITICAL THAT WE --
18 THE CRITERIA THAT WE USE TO PICK THE VARIOUS
19 STRATEGIES IS CRITICAL. SO I DO WANT YOU ALL TO
20 KNOW THAT I THINK WE ALL THINK THAT YOU'VE DONE AN
21 EXCELLENT JOB HERE AND HAVE MADE OUR JOB A LOT
22 EASIER BY BRINGING US TOGETHER AND FOCUSING US, AND
23 I THINK THAT'S IMPORTANT.

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24 I THINK, LIKE ALL THE REST WHO HAVE
25 SAID, THAT IT'S CRITICAL THAT WE DO REDUCE THE

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1 FOCUS TO A FEW WELL-DONE STRATEGIES AND PROGRAMS.
2 WE CAN'T -- I AGREE, WE CAN'T LEAVE ANYTHING OFF,
3 BUT WE CAN GO INTO THAT MAINTENANCE MODE THAT YOU
4 TALK ABOUT THAT GIVES US THE ABILITY TO REALLY WORK
5 HARD ON THOSE THINGS THAT WE GET THE MOST BANG FOR
6 THE BUCKS FOR. AND WE HAVE TO REMEMBER THAT NEXT
7 YEAR, YOU KNOW, WE'LL PROBABLY GO THROUGH SOME MORE
8 REDUCTION IN OUR RESOURCES SO THAT -- I LIKE TO
9 TELL PEOPLE THAT WE'RE A UNIQUE AGENCY FOR
10 GOVERNMENT, AND THAT IS, THE BETTER THE JOB WE DO,
11 THE LESS MONEY WE GET. MOST AGENCIES, YOU KNOW,
12 MORE TICKETS THEY WRITE, THEY GET MORE MONEY, OR
13 THE MORE THEY DO SOMETHING, THEY GET MORE STAFF.
14 AND THE BETTER WE DO, THE MORE WE REDUCE OUR OWN
15 ABILITIES TO HAVE RESOURCES.

16 SO I THINK -- I CAN'T ADD A LOT TO
17 WHAT WAS SAID BY MY COLLEAGUES ON THE BOARD EXCEPT
18 THAT I THINK WE'RE EXTREMELY LUCKY TO HAVE THE
19 STAFF THAT WE HAVE AND WE APPRECIATE IT. THANK
20 YOU.

21 BOARD MEMBER RELIS: MR. CHAIR, THERE WAS
22 ONE POINT I FEEL LIKE I DIDN'T -- I DON'T WANT TO
23 STEAL YOUR THUNDER.

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24 CHAIRMAN PENNINGTON: SEE, I GET THE LAST
25 WORD. IT'S CALLED ADJOURN.

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1 BOARD MEMBER RELIS: THERE IS ONE AREA
2 THAT I THINK WE HAVEN'T DISCUSSED THAT I WOULD LIKE
3 TO JUST THROW OUT ON THE TABLE FOR YOUR FURTHER
4 WORK, THE WASTE PREVENTION SIDE. WE HAVE AND WE'VE
5 OBSERVED OVER THE YEARS THESE WRAP AWARDS, AND I
6 THINK EUGENE TSUNG, OUR CONTRACTOR, HAS BEEN DOING
7 WORK, BUT I'VE NEVER SEEN THIS FULLY MATERIALIZE IN
8 TERMS OF WHAT IS THE SUM TOTAL OF THAT WORK
9 SUGGESTING BY WAY OF WHAT WASTE PREVENTION HAS
10 PRODUCED IN KEY SECTORS OF OUR ECONOMY HERE.

11 WE HAVE GIVEN OUT HUNDREDS OF AWARDS.
12 THAT'S A DATABASE WHERE COMPANIES HAD TO COMPILE
13 WHAT THEY REDUCED BY -- WHAT THEY DIVERTED BY
14 RECYCLING AND WHAT THEY DIVERTED BY WASTE
15 PREVENTION. AND I HAPPEN TO BELIEVE THAT THAT'S
16 WHY -- IT'S BEHAVIOR LIKE THAT THAT IS CAUSING THE
17 NUMBERS TO STAY OR KEEP -- THE DIVERSION NUMBERS TO
18 STAY OR CONTINUE TO INCREASE IN THE FACE OF THE
19 ECONOMIC RECOVERY THAT CALIFORNIA IS IN. AND IF WE
20 WERE TO BETTER KNOW OR UNDERSTAND THAT, WE MAY BE
21 ABLE TO ASSIST LOCAL GOVERNMENT MORE EFFECTIVELY IN
22 THE PREVENTION SIDE AND DELIVER SOME TOOLS THAT
23 COULD HAVE SOME REAL VALUE IN THIS CRUNCH TIME SO

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24 THAT THEY COULD COMMUNICATE IT TO THEIR COMPANIES
25 IN THEIR REGION AND ROLL OUT A PROGRAM IF

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1 NECESSARY.

2 SO I WOULD JUST PUT THAT AS A KEY
3 FACTOR. I THINK IT -- WHETHER IT'S A FOURTH OR A
4 FIFTH OR WHETHER IT'S A -- BUT I THINK THE
5 PREVENTION SIDE IS A BIG ONE, AND I'D JUST LIKE TO
6 STATE THAT NOW BEFORE THIS MEETING ENDS.

7 MR. CHANDLER: YOU MAKE A GOOD POINT. I
8 KNOW YOU AND I HAVE HAD INDIVIDUAL CONVERSATIONS
9 AROUND THIS. AND I BROUGHT SOME OF YOUR THINKING
10 INTO THE DISCUSSIONS THAT WE HAD WITH THE EXECUTIVE
11 STAFF. I KNOW, CAREN, YOU WANT TO SAY A FEW WORDS
12 ABOUT IT BECAUSE IT'S BEEN PART OF OUR DIALOGUE.
13 SO GO AHEAD, CAREN.

14 MS. TRGOVCICH: ONE OF THE THINGS WHEN WE
15 LOOKED AT, ESPECIALLY FOR THE TWO WASTESTREAMS THAT
16 ARE UP THERE, THE BROAD CATEGORY OF ORGANICS THAT
17 WE ARE GOING TO FOCUS, AS WELL AS C&D, IS THAT WE
18 WOULD LOOK AT WASTE PREVENTION ACTIVITIES AS BEING
19 A COMPONENT OF WHAT THE TEAM EVALUATES WHEN THEY
20 LOOK AT WHAT'S GOING TO HELP US GET THERE. THE
21 SAME WAY WE'RE GOING TO LOOK AT WHAT COMPONENTS
22 OF
22 RECYCLING WILL HELP US GET THERE, AS WELL AS

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OTHER

23 ACTIVITIES.

24 SO IT'S PART OF THE MIX AS IT IS

25 REALLY WITH ALL OTHER WASTE TYPES IN TERMS OF HOW

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1 WE EVALUATE WHAT PROGRAMS, WHAT ACTIVITIES TO
2 IMPLEMENT. I THINK THAT WE ARE SEEING SOME KEY
3 RESULTS IN THE WASTE PREVENTION AREA. WE WOULD
4 HOPE TO BUILD ON THAT. I KNOW THAT -- YOU KNOW,
5 THIS IS A LITTLE BIT TOO FOCUSED AND SPECIFIC, BUT
6 JUDY'S STAFF AND MY STAFF HAVE BEEN TALKING ABOUT
7 AND ARE GOING TO BE HOSTING A WORKSHOP ON TRYING TO
8 BE ABLE TO QUANTIFY WASTE PREVENTION, SOURCE
9 REDUCTION ACTIVITIES, BOTH AT A BROAD PROGRAM
10 LEVEL, AS WELL AS A SITE SPECIFIC WHAT IF I DO THIS
11 KIND OF A BASIS.

12 SO WE'RE CONTINUING TO FOCUS, BUT IT
13 GETS ROLLED IN AS AN ELEMENT THERE. WE LOOK AT
14 WASTE PREVENTION APPROACHES ALONG WITH OTHER
15 APPROACHES AS THE TEAMS CONSIDER HOW BEST TO DEPLOY
16 RESOURCES.

17 BOARD MEMBER RELIS: GOOD. I'M GLAD TO
18 HEAR THAT AND LOOK FORWARD TO SEEING SOME OF THE
19 INFORMATION.

20 MR. CHANDLER: MR. CHAIRMAN, MEMBERS, LET
21 ME CONCLUDE WITH JUST A COUPLE OF REMARKS IF THAT
22 CONCLUDES YOUR COMMENTARY.

23 MAYBE THE WAY I WANT TO FINISH THIS

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24 UP IS JUST TELL YOU A SHORT STORY THAT OCCURRED

25 JUST LAST WEEK WHEN I WAS AT THE EXECUTIVE

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1 DIRECTORS MEETING AT CAL-EPA, AND THE DIRECTORS
2 WERE REMINDED THAT THE GOVERNOR EXPECTS THE
3 STRATEGIC PLAN TO BE IMPLEMENTED AND IS CALLING FOR
4 IMPLEMENTATION PLANS TO COME FORWARD FROM EACH
5 BOARD AND DEPARTMENT. ONE OF THE CHIEF DEPUTIES
6 SAID, "THAT'S GOING TO BE PRETTY EASY. WE'RE NOT
7 TOO CONCERNED ABOUT THAT."

8 I SAID, "WELL, HOW ARE YOU
9 APPROACHING IT?" AND THE ANSWER I GOT WAS, "WE'RE
10 JUST GOING TO TURN IN OUR WORK PLANS FOR ALL OF OUR
11 PROGRAMS."

12 AND I THOUGHT TO MYSELF THAT'S THE
13 FIRST STEP TOWARDS HAVING A STRATEGIC PLAN DOCUMENT
14 JUST SIMPLY BECOME A SHELF DOCUMENT FOR ANY
15 ORGANIZATION. IF YOU WANT THE STATUS QUO, IT'S
16 RIGHT HERE, AND I CAN GET YOU IMPLEMENTATION PLANS
17 FOR ALL 101 PROGRAMS, AND WE'LL DO THAT.

18 WHAT WE DID TODAY -- AND I BRIEFLY
19 SAID TO THIS INDIVIDUAL, "WE'RE ACTUALLY
20 APPROACHING IT A LITTLE DIFFERENTLY." HE SAID,
21 "HOW DID YOU GET TO THE POINT OF BEGINNING TO WANT
22 TO SEE A FOCUS?" I SAID, "BECAUSE OUR BOARD ASKED
23 FOR IT IN THE FIRST GOAL OF THE STRATEGIC PLAN, TO

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24 EVALUATE EVERY ONE OF THOSE PROGRAMS AND SEE IF
25 THEY SHOULD BE RETAINED, EXPANDED, OR REFOCUSED. "

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1 SO I WANT TO ACKNOWLEDGE YOU AS BOARD
2 MEMBERS FOR BEING THE ONES WHO BROUGHT GOAL 1
3 FORWARD AND PUTTING US THROUGH THIS ARDUOUS
4 PROCESS, BUT ONE IN WHICH I THINK WE'RE FINDING A
5 LOT OF INSIGHT TO HAVING US BEGIN TO NOT ONLY
6 EVALUATE WHERE OUR RESOURCES ARE, WHAT THOSE
7 PERFORMANCE MEASURES ARE, BUT STARTING TO TAKE THE
8 FIRST STEPS TOWARDS BEGINNING TO GET A MORE FOCUSED
9 STRATEGY HERE.

10 YOU SEE WHAT THOSE NEXT STEPS LOOK
11 LIKE. IN THE COMING WEEKS, WE WILL BE CONTINUING
12 TO REFINE OUR LIST OF POTENTIAL STRATEGIES.
13 OBVIOUSLY THERE NEEDS BE A LOT OF WORK AROUND THE
14 CRITERIA THAT WE WILL BE DEVELOPING FOR PLACEMENT
15 OF SOME OF THE PROGRAMS ACROSS THE MODEL. WE'VE
16 HEARD ABOUT THE NEED TO MAKE THE MODEL MORE
17 SPECIFIC AND WITH MORE DEFINITION. AND THEN WE
18 WILL BE BACK TO YOU, IN MY ESTIMATE, PROBABLY AT
19 THE NOVEMBER BOARD MEETING WITH THE NEXT ITERATION
20 AROUND THIS WITH LOTS OF BRIEFINGS AND UPDATES
21 ALONG THE WAY TO KEEP YOU INFORMED.

22 AND SO I JUST WANT TO SAY THANK YOU
23 FOR YOUR ENGAGEMENT AND DIALOGUE TODAY AND FOR THE

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24 OVERVIEW THAT YOU'VE GIVEN US OF YOUR THINKING.

25 AND WE WILL CONTINUE TO MOVE FORWARD IN IMPLEMENT-

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1 ING THE STRATEGIC PLAN WITH A FOCUS.

2 CHAIRMAN PENNINGTON: OKAY. MR. CHESBRO.

3 BOARD MEMBER CHESBRO: I PROMISE I WILL
4 LET YOU GET THE LAST WORD. BUT BEFORE I DO THAT, I
5 GUESS I HAVE A QUESTION ABOUT WHAT -- SINCE THIS IS
6 NOT AN ACTION ITEM, WHAT THE STATUS OF THE PRIORITY
7 AREAS LIST IS. IS IT JUST SORT OF HANGING THERE AS
8 SOMETHING WE COMMENTED ON? IS THERE AN ASSUMPTION
9 THAT BECAUSE THERE'S NO ACTION ITEM, BUT YOU ARE
10 GOING TO GO WITH IT NOW? ARE YOU GOING TO GO WITH
11 IT AND MODIFY IT BASED ON WHAT YOU HEARD FROM BOARD
12 MEMBERS? WHAT HAPPENS TO THE PRIORITY AREAS LIST,
13 WHICH IS THE HIGHEST LEVEL OF SPECIFICITY THAT
14 EXISTS IN THIS THING WE'VE BEEN PRESENTED TODAY,
15 AND SO I'M CONCERNED ABOUT WHAT THE NEXT STEPS ARE
16 WITH REGARDS TO THAT.

17 MR. CHANDLER: WELL, I'LL SPEAK FOR MYSELF
18 AND OTHERS, YOU KNOW, WHO HAVE BEEN PART OF THIS
19 PROCESS NEED TO CHIME IN. BUT I FEEL THE DIRECTION
20 WE GOT TODAY THAT WE NEED TO DO IS SIMILAR TO WHAT
21 MR. RELIS JUST SAID IS THAT WE NEED TO GO BACK AND
22 DO MORE WORK IN LOOKING AT THESE VERY SPECIFIC
23 AREAS WITH REGARD TO THE NUMBERS, WITH REGARD TO

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24 WHAT ARE THE TONNAGES TO SEE IF WE ARE RIGHT IN OUR
25 ASSUMPTIONS AND RIGHT IN OUR EARLIER ANALYSIS

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1 COMING OUT OF THE MARKET DEVELOPMENT PLAN AND THE
2 OTHER UNDERLYING PLANS THAT YOU HEARD EACH OF THE
3 DEPUTY DIRECTORS SPEAK TO AS THEY SPOKE TO SOME OF
4 THESE PRIORITY AREAS TO SEE IF THERE IS, IN FACT,
5 THE REINFORCEMENT OF THOSE RECOMMENDATIONS THAT WE
6 BELIEVE THERE ARE.

7 SO I WOULD SAY WE WOULD LOOK AT FIRST
8 THIS LISTING AS OUR FIRST CUT TO SEE IF THAT IS
9 REINFORCED BY THE DATA AND THE ANALYSIS AROUND IT.

10 BOARD MEMBER CHESBRO: AT SOME POINT THE
11 BOARD WOULD BE ADOPTING PRIORITY AREAS, SO WILL IT
12 COME BACK TO US AFTER THE FIRST CUT?

13 MR. CHANDLER: IN NOVEMBER I'D LIKE TO
14 COME BACK WITH NOT ONLY THE PRIORITY AREAS DEFINED
15 AND REFINED MORE SPECIFICALLY, BUT BEGINNING TO PUT
16 UP WHAT WE SEE IN THE ON-DECK AREA, AS KEITH
17 DESCRIBED, WHERE WE SEE OUR MAINTENANCE ACTIVITIES,
18 WHERE WE SEE EARLY STAGES OF PLANNING AND ANALYSIS
19 TO OCCUR; IN OTHER WORDS, TRYING TO ROUND OUT THE
20 MAJOR THEMES OF THESE PROGRAMS INTO -- I'M NOT
21 GOING TO SUGGEST THAT WE'RE GOING TO TAKE ALL
22 HUNDRED ONE PROGRAMS AND SHOW THEM ON THE MODEL,
23 BUT WE'RE GOING TO BEGIN TO TRY TO TAKE THE

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24 EXISTING PROGRAMS AND SHOW YOU WHERE WE THINK THEY

25 ARE IN THE EVOLUTION OF HAVING THAT MODEL FULFILL

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1 ITSELF ORGANIZATIONALLY.

2 BOARD MEMBER CHESBRO: WELL, YOU'VE IN THE
3 FEEDBACK HERE INDICATED THAT YOU'VE HEARD US WITH
4 REGARDS THE FIRST TWO AND MAKING SURE THAT WE HAVE
5 A CRITERIA AND DATA TO BACK UP THE SELECTION OF THE
6 PRIORITY MATERIALS. THERE'S ALSO THE DEFINITIONAL
7 QUESTION OF WHAT THAT MEANS. I KNOW YOU KEPT IT
8 SIMPLE ON PURPOSE, BUT THERE NEEDS TO BE, YOU KNOW,
9 WHAT THAT MEANS FOR OTHER MATERIALS SOMEHOW AS PART
10 OF WHAT THE BOARD ACTS ON SO THAT IT'S CLEAR THE
11 RELATIONSHIP BETWEEN PRIORITY MATERIALS AND
12 EVERYTHING ELSE.

13 AND THEN I RAISED, AND I THINK WE
14 SPENT A LOT OF TIME YESTERDAY AND LOT OF TIME LAST
15 MONTH DISCUSSING THIS QUESTION OF THE LEA, THE ROLE
16 OF THE LEA'S. AND I THINK THAT THE DECISION THERE
17 ABOUT WHETHER OR NOT IMPROVING LEA PERFORMANCE IS A
18 COMPLETE ENOUGH DESCRIPTION OF OUR PRIORITY STEP
19 FOR IMPLEMENTING GOAL 3 REMAINS ALSO AS SOMETHING
20 THAT NEEDS FURTHER DISCUSSION BEFORE THE BOARD ACTS
21 ON THESE FOUR PRIORITIES.

22 MR. SMITH: WE KEPT THESE BROAD AND
23 GENERAL. THE DISCUSSION HAS ALREADY BEEN THAT WE

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24 NEED MUCH MORE SPECIFICITY ON THOSE PRIORITY
25 PROGRAMS. AND WHEN WE COME BACK, IT WILL BE MUCH

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1 BETTER TARGETED, MUCH NARROWER, NOT NARROWER, BUT
2 MUCH BETTER DEFINED AS TO WHAT IT IS WE'RE
3 PROPOSING TO YOU.

4 BOARD MEMBER CHESBRO: IN THAT PARTICULAR
5 ONE IT'S KIND OF A CRITICAL QUESTION BECAUSE IF YOU
6 ARE GOING TO BE BRINGING BACK TO US NOT ONLY THE
7 PRIORITY AREAS FOR ADOPTION, BUT THE NEXT STEPS
8 AFTER THAT, THE QUESTION I RAISED ABOUT WHICH
9 PRIORITY WE'RE GOING TO TAKE FOR IMPLEMENTATION OF
10 GOAL 3 WITH REGARDS TO PROTECTING THE ENVIRONMENT
11 AND PUBLIC HEALTH AND SAFETY IS CRITICAL IN TERMS
12 OF THOSE OTHER DETAILS YOU ARE GOING TO BE BRINGING
13 BACK TO US. SO I HOPE -- SINCE WE'RE NOT GOING TO
14 BE ACTING ON IT FORMALLY BETWEEN NOW AND THEN, YOU
15 ARE GOING TO NEED TO SPEND SOME TIME WITH THE BOARD
16 MEMBERS TRYING TO GET MORE DEFINITION ON THAT.

17 MR. CHANDLER: GOOD. WE'LL DO THAT.

18 BOARD MEMBER RELIS: WE HAVE TWO MONTHS
19 TILL WE SEE THE PRODUCT. NOW, I KEEP THINKING OF
20 TWO MONTHS AND TIME TICKING, AND THEN WE'RE AT THE
21 TWO-YEAR MARK. WILL WE SEE ANYTHING IN BETWEEN?
22 WILL YOU BE BRIEFING US ABOUT, OKAY, A MONTH OUT,
23 THIS IS WHERE WE ARE AND MAKING SURE THAT WE'RE

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24 VERY MUCH UP TO SPEED ON WHERE YOU ARE GOING

25 BECAUSE THE EFFECTIVENESS OF THE CLOSURE ON THIS

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1 DEPENDS ON THE AMOUNT OF TIME WE'VE HAD TO DIGEST
2 WHAT YOU ARE DOING.

3 MR. CHANDLER: IT'S -- LOOK, IN NO WAY DO
4 I WANT TO IMPLY THAT I DON'T RECOGNIZE THAT YOU ALL
5 SET THE PRIORITY AREAS. YOU ALL SET WHAT IS IN THE
6 NEXT STRATEGY TO BE MOVED UP. YOU ALL SET WHAT IS
7 A MAINTENANCE ACTIVITY THAT REQUIRES FEWER
8 RESOURCES. SO WE HAVE TO FIND A WAY THAT SPEAKS
9 BOTH TO TIME IS TICKING AND WE DON'T WANT TO GET
10 BUREAUCRATIC ABOUT THIS. ON THE OTHER HAND, YOU
11 ARE A BOARD THAT ADOPTS THINGS IN A FORMAL PUBLIC
12 POLICY, PUBLIC OPEN FORUM, AND WE CAN'T JUST DO
13 THIS, YOU KNOW, WALK IN THE HALLS NECESSARILY. SO
14 I THINK IT'S GOING TO TAKE A COMBINATION OF BOTH.

15 I THINK WE CAN USE THE COMMITTEE
16 STRUCTURE TO CONTINUE AND THE DIRECTORS REPORTS BY
17 THE DEPUTY DIRECTORS TO KEEP YOU APPRISED OF SOME
18 OF THE ACTIVITY THAT'S UNDER WAY. AND, OF COURSE,
19 WE'LL SET UP INDIVIDUAL MEETINGS WITH YOUR OFFICES.

20 I THINK FOR THE PUBLIC AND THE STAFF,
21 THERE WILL BE INFORMAL PRESENTATION IN NOVEMBER,
22 AND THERE SHOULD BE NO SURPRISES.

23 BOARD MEMBER JONES: YOU KNOW, ONE THING,

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24 WHEN WE'RE TALKING ABOUT BECOMING MORE DEFINED AND

25 STUFF LIKE THAT, I THINK WE DID PRETTY GOOD WORK

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1 TODAY IN TRYING TO STAY FOCUSED. IF REDEFINING OR
2 BECOMING CLEARER MEANS THAT THAT LIST GOES FROM
3 FOUR TO 81, THIS BOARD MEMBER IS OPPOSED. OKAY.
4 THIS BOARD MEMBER IS HAPPY WITH THOSE FOUR. I SEE
5 THE VALUE IN THOSE FOUR. AND, YOU KNOW, I MEAN WE
6 NEED TO STAY FOCUSED. IT'S A BROAD THING. IT'S
7 NOT THE ONLY THING. IT'S -- I MEAN THEY'RE PRETTY
8 BROAD.

9 AND TO GET OFF THIS JUST ONE SECOND
10 BECAUSE WE DIDN'T HAVE PUBLIC COMMENT OR WE DIDN'T
11 HAVE ANY OPEN DISCUSSION, REAL QUICKLY. I JUST
12 WANTED TO THANK EVERYBODY AT THE WASTE BOARD THAT
13 PARTICIPATED OR THAT PLEDGED MONEY ON THE -- FOR
14 JUVENILE DIABETES BECAUSE THERE WAS ABOUT 40 OF US
15 OUT THERE WORKING AND WALKING AND HAVING FUN, AND
16 WE RAISED, COMBINED WITH MY SISTERS'S COMPANY,
17 \$5500 AS PART OF ABOUT \$240,000 THAT WAS RAISED
18 THAT DAY. AND I THANK YOU. I APPRECIATE IT. I
19 THINK EVERYBODY HAD A GOOD TIME, AND WE'LL DO IT
20 AGAIN.

21 MR. CHANDLER: DAN, SINCE I DO SEE A
22 NUMBER OF STAFF IN THE AUDIENCE, I DO WANT TO FIRST
23 ACKNOWLEDGE A COUPLE OF STAFF THAT HELPED

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24 CONSIDERABLY ON THIS EFFORT. OF COURSE, RUBIA TO
25 MY RIGHT. DOUG RALSTON, YOU DID A GREAT JOB ON THE

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1 KEYBOARDS. THANK YOU. TABATHA LEWIS. TABATHA
2 ALSO.

3 I ALSO WANT TO SAY THAT I DON'T SEE
4 ANY ORGANIZATIONAL REORGANIZATIONAL PLAN BEHIND
5 THIS. WE HAVE THE RESOURCES IN THE ORGANIZATION.
6 THE FOCUS MAY CHANGE, SOME OF THE ACTIVITIES MAY
7 CHANGE, BUT THIS IS NOT GOING BE A COMPLETE
8 RESHIFTING OF PERSONNEL AROUND THE BOARD. I THINK
9 WE ARE LOOKING AT A MATRIX APPROACH THAT CAN DRAW
10 STAFF FROM THE VARIOUS ORGANIZATIONAL UNITS THAT
11 BEST DEPLOY THE RESOURCES ON THE FOCUSED ACTIVITY.
12 AND I WANTED TO MAKE SURE THAT I DIDN'T LEAVE THAT
13 IMPRESSION WITH ANYONE IN THE AUDIENCE.

14 CHAIRMAN PENNINGTON: IF THERE'S NO
15 FURTHER DISCUSSION, LAST WORD, ADJOURNED.

16 I NEED TO ANNOUNCE THAT THE BOARD
17 WILL BE IN EXECUTIVE SESSION TO DISCUSS SOME
18 LITIGATION AT 1:30 THIS AFTERNOON.

19

20 (THE MEETING WAS THEN RECESSED AT 12
21 P.M. TO CLOSED SESSION AND FOLLOWING CLOSED SESSION
22 WAS THEN ADJOURNED.)

23

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